

Financial Administration

**Selected
Acquisitions
Information
and
Management
Systems
(SAIMS)**

Headquarters
Department of the Army
Washington, DC
1 November 1984

UNCLASSIFIED

SUMMARY of CHANGE

AR 37-200

Selected Acquisitions Information and Management Systems (SAIMS)

This change 4--

- o Is a change to AR 37-200, 15 March 1984.
- o Changes have been made in appendix C.
- o Chapter 6 and appendix F of Change 3 are hereby cancelled.

o This change 3--

- o Is a change to AR 37-200, 1 March 1979.
- o Changes have been made in chapters 1 to 5 and appendix D and E.
- o Chapter 6 and appendix F have been added.
- o The major change in this regulation is that the Supplemental Contractor Cost Reports (SCCR) are separate entities from the Selected Acquisition Reports (SAR).

o This change 2--

- o Updates appendix B of the Contract Cost Performance Funds Status and Cost/Schedule Status Reports and section I, appendix E of the Special Army SAR Requirements.
- o The Supplemental Contractor Cost Report (fig. E-1) has been modified.

o This change 1--

- o This change updates the format, definitions, and requirements for Selected Acquisition Reports.

Financial Administration

Selected Acquisitions Information and Management Systems (SAIMS)

By Order of the Secretary of the Army:

JOHN A. WICKHAM, JR.
General, United States Army
Chief of Staff

Official:

ROBERT M. JOYCE
Major General, United States Army
The Adjutant General

History. This publication has been reorganized to make it compatible with the Army electronics publishing database. No content has been changed.

Summary. This is a change to AR 37-200, 15 March 1984. Changes have been made in appendix C. Chapter 6 and appendix F of change 3 are hereby cancelled.

Applicability. a. The provisions of this regulation are applicable to all elements of the Army, including the Army National Guard and the US Army Reserve, that have responsibility for or association with the acquisition process.

b. This regulation is used to disseminate within the Army certain policies and procedures which DOD has developed, coordinated with industry, and published in DOD instructions, including the Defense Acquisition Regulation (DAR)(formerly the Army Services Procurement Regulation (ASPR)) and the documents contained in appendixes A through F of this regulation. Its application to private firms that are or will be under contract with the Army will be in accordance with the terms of specific contracts.

Proponent and exception authority. The proponent agency of the regulation is the Comptroller of the Army.

Impact on New Manning System. This regulation does not contain information that affects the New Manning System.

Army management control process. Not applicable.

Supplementation. This revision of AR 37-200 takes precedence over all previous Army implementation and supplementation actions pertaining to the DODI's and Special Army SAR and UCS Requirements listed at appendixes A through E below. Local limited supplementation of this regulation is permitted, but not required if supplements are issued, Army

Staff agencies and major Army commands will furnish one copy of each to HQDA (DACA-CAW) WASH DC 20310; other commands will furnish one copy of each to the next higher headquarters.

Interim changes. Interim changes are not official unless they are authenticated by The Adjutant General.

Suggested Improvements. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended changes to Publication and Blank form) directly to HQDA (DACA-CAW) Wash DC 20310.

Distribution. *Active Army:* To be distributed in accordance with DA Form 12-9A, requirements for AR, Financial Administration—D.

ARNG and USAR—None

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Chapter 1 GENERAL

1-1. Purpose

This regulation—

a. Prescribes Department of the Army policies, assigns responsibilities, and establishes procedures for implementing Department of Defense instructions on developing and operating management and information systems in the acquisition (development and production) process, with emphasis on the relationship between contractors and the Army.

b. Implements DOD Instruction (DODI) 7000.2, DODI 7000.3, DODI 7000.10, and DODI 7000.11, which are elements of the Selected Acquisitions Information and Management Systems (SAIMS). The cited DOD instructions set forth policies and procedures governing those acquisition management control systems that have been developed to meet the management needs of the Secretary of Defense, the Secretary of the Army, and of other Army officials, particularly project managers who have responsibilities for or relevant to materiel acquisition, including use of reports.

1-2. Applicability.

a. The provisions of this regulation are applicable to all elements of the Army, including the Army National Guard and the US Army Reserve, that have responsibility for or association with the acquisition process.

b. This regulation is used to disseminate within the Army certain policies and procedures which DOD has developed, coordinated with industry, and published in DOD instructions, including the Defense Acquisition Regulation (DAR)(formerly the Army Services Procurement Regulation (ASPR)) and the documents contained in appendixes A through F of this regulation. Its application to private firms that are or will be under contract with the Army will be in accordance with the terms of specific contracts.

1-3. Scope.

a. Resource management systems within DOD are grouped into the following categories (as shown in fig. 1-1).

- (1) Programming and Budgeting Systems.
- (2) Operations Management Systems.
- (3) Inventory Management Systems.
- (4) Acquisition Information and Management Systems.

b. This regulation is concerned with the control and application of selected Acquisition Information and Management Systems which involve the contractor-Army relationship in the acquisition process—entitled the Selected Acquisition Information and Management Systems (SAIMS). Although these systems complement each other, each is governed separately by the DOD instruction listed below:

- (1) DODI 7000.2, Performance Measurement for Selected Acquisitions (app A).
- (2) DODI 7000.10, Contract Cost Performance, Funds Status, and Cost/Schedule Status Reports (app B).
- (3) DODI 7000.11, Contractor Cost Data Reporting (app C).
- (4) DODI 7000.3, Selected Acquisition Reports (app D).

c. DOD directive material is reproduced verbatim in appendixes A through E to provide a full understanding of the objectives of the Secretary of Defense and the approach to industry to be taken in this area. Army implementation is limited to instructions such as designations and delegations of authority, assignment of responsibility, work flow procedures, and internal reporting requirements, consistent with Defense Acquisition Regulation (DAR) 1-108(a)(i).

1-4. Responsibilities.

a. The Comptroller of the Army, as the HQDA proponent staff agency for this regulation, will coordinate actions with the Assistant Secretary of the Army (Installations, Logistics and Financial Management), the Assistant Secretary of the Army (Research, Development and Acquisition), and with appropriate elements of the Army staff.

b. Functions indicated as the responsibility of a major command are applicable to the Commanding General, US Army Materiel Development and Readiness Command, the Ballistic Missile Defense Program Manager, the Chief of Engineers, and comparable elements executing contracts or managing materiel acquisitions. However, paragraphs 2-2b and 3-2c, regarding the designation of an Army focal point for interservice liaison, are applicable only to the Commanding General, US Army Materiel Development and Readiness Command, who designates the single focal point for the Department of the Army.

c. Basic responsibilities for the SAIMS are as stated in a and b above. Specific responsibilities for actions with respect to the various elements of SAIMS are set forth in the remaining chapters of this regulation.

SELECTED ACQUISITIONS INFORMATION AND MANAGEMENT SYSTEM

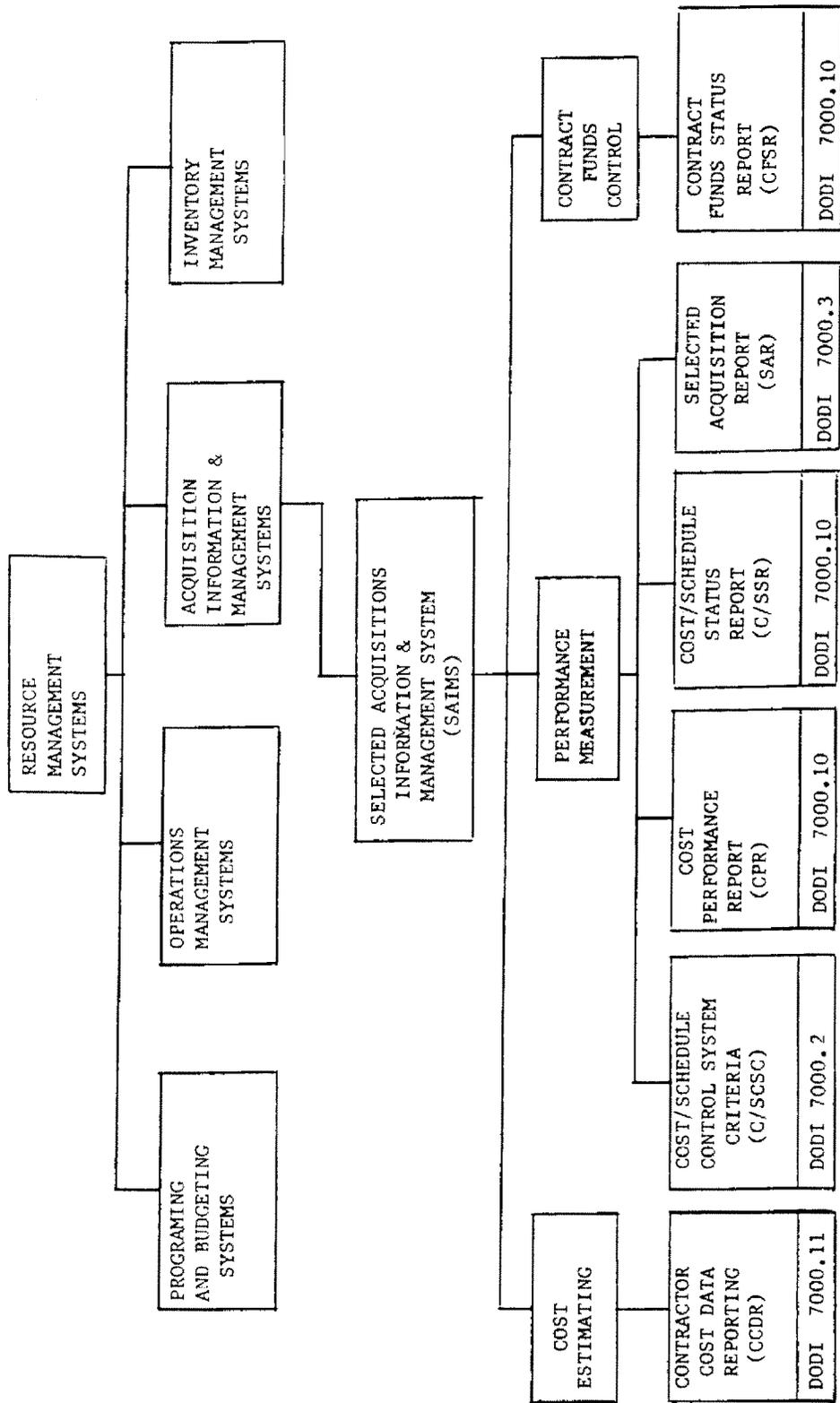


Figure 1-1. SELECTED ACQUISITION INSTRUCTION AND MANAGEMENT SYSTEM

Chapter 2

PERFORMANCE MEASUREMENT FOR SELECTED ACQUISITIONS

2-1. General.

This chapter provides Army implementation of DODI 7000.2 (app A). Subjects covered in DODI 7000.2 include:

- a.* Policy and procedures for the application of the DOD Cost/Schedule Control Systems Criteria (C/SCSC) to provide an adequate basis for informed decisionmaking by contractor management and responsible Army personnel.
- b.* Methods of contractual application of the C/SCSC requirement.
- c.* Responsibilities for initial application of C/SCSC (including evaluation and demonstration reviews), surveillance, and subsequent application reviews of accepted contractor cost and schedule performance measurement systems.

2-2. Responsibilities.

a. The Comptroller of the Army (COA) is the HQDA proponent staff agency for the implementation of DODI 7000.2.

b. The Commanding General, US Army Materiel Development and Readiness Command (CG DARCOM), the Ballistic Missile Defense Program Manager, the Chief of Engineers, and commanders of comparable elements that execute contracts or manage materiel acquisitions are responsible for management of the C/SCSC process.

c. Effective uniform implementation of DODI 7000.2 requires establishment of a focal point within each of the military departments for the exchange and coordination of C/SCSC matters involving interservice liaison. CG DARCOM is assigned this responsibility and has designated the Associate Director for Cost Performance Reporting (DRCPP-K) as the Department of the Army focal point.

d. The Department of the Army focal point (DRCCP-K) is responsible for providing Army representation on tri-Service task groups that prepare and issue joint guidance. When the Department of the Army is the lead component for a tri-Service C/SCSC review, the DA focal point will approve the Review Director.

e. Responsibility for surveillance is assigned to DCAA and the cognizant Contract Administration Service representative by DODI 7000.2.

f. Implementation of DODI 7000.2 will be in accordance with the C/SCSC Joint Implementation Guide, DARCOM-P 715-5, and the C/SCSC Joint Surveillance Guide, AMCP 715-10. (Copies of DARCOM-P 715-5 and AMCP 715-10 may be obtained from Letterkenny Army Depot, ATTN: DRXLE-AJD, Chambersburg, PA 17201.)

Chapter 3

CONTRACT COST PERFORMANCE REPORT (RCS OMB 0704-0045), FUNDS STATUS REPORT (RCS OMB 0704-0022, and COST/SCHEDULE STATUS REPORT (RCS OMB 0704-0063)

3-1. General.

This chapter provides Army implementation of DODI 7000.10 (app B). Subjects covered by the DODI include:

- a.* Scope and application criteria for each of the three cited reports.
- b.* Instructions for preparation and submittal.
- c.* Responsibilities of the military departments, other Defense agencies, and contractor organizations.

3-2. Responsibilities.

a. The Comptroller of the Army is the HQDA Staff agency proponent for the implementation of DODI 7000.10.

b. The appropriate major commander is responsible for implementation of these reports, including procedures for preparing and using the reports to ensure that valid and timely data are submitted by contractors and that the data are used for effective project, contract, and funds management. In addition, these procedures should ensure that the results of the analyses are communicated in a timely manner to the appropriate Army managers, budget and fiscal planning, personnel, cost analysts, and others who can use information effectively.

c. Interservice liaison required for the uniform implementation of DODI 7000.10 is the responsibility of the DA focal point designated by CG DARCOM.

d. Implementation of the Cost/Schedule Status Report (C/SSR) will be in accordance with "Cost/Schedule Management of Non-Major Contracts (C/USSR Joint Guide)" (DARCOM-P 715-13). (Copies of DARCOM-P 715-13 may be obtained from Letterkenny Army Depot, ATTN: DRXLE-AJD, Chambersburg, PA 17201.)

Chapter 4 CONTRACTOR COST DATA REPORTING (CCDR) (RCS OMB 0704-0062)

4-1. General.

This chapter provides Army implementation of DODI 7000.11 (app C). Subjects covered in the DODI include:

- a. Scope and application criteria for the various formats comprising this report.
- b. Procedures for contractual implementation of the report.
- c. Responsibilities of the military departments and provision for Audits of CCDR data.

4-2. Responsibilities.

a. The responsibility for administration and implementation of the CCDR system that is assigned to the Secretary of the Army is delegated to the ASA (IL&FM) and further subdelegated to the COA. Accordingly the COA (DACA-CAW) is the HQDA proponent staff agency for the implementation of DODI 7000.11.

b. CG DARCOM is responsible for providing Army representation for the tri-Service task of preparing and issuing joint implementing instructions and revisions as required.

c. The appropriate major commander is responsible for issuing supplemental implementing and administrative instructions, to include guidance on use of the data. However, implementation will be in accordance with the joint implementing instructions noted in b above.

d. Implementation of CCDR will be in accordance with the joint guide "Acquisition Management, Contractor Cost Data Reporting (CCDR) System," (AMCP 715-8). (Copies of AMCP 715-8 may be obtained from Letterkenny Army Depot; ATTN: DRXLE-AJD, Chambersburg, PA 17201.)

Chapter 5 SELECTED ACQUISITION REPORTS (SAR)(RCS DD-COMP (Q+A)-823)

5-1. General.

This chapter provides Army implementation of DODI 7000.3 (app D). Guidance on implementation of special Army policies pertaining to the SAR is provided in paragraph 5-2b(5)(a) and (b).

5-2. Responsibilities.

a. General.

(1) The Comptroller of the Army (DACA-CAW) is responsible for staff coordination and administration of Selected Acquisition Reports.

(2) The major command exercising control the development and production of the system is responsible for preparing and submitting the SAP, to DA.

b. Specific.

(1) COA will—

(a) Exercise responsibilities for Army SAR policies and procedures.

(b) Issue quarterly instructions for SAR submission to include time schedule, inflation guidance, changes in reporting requirements, and any other special instructions.

(c) Receive the SAR and distribute copies to the Army staff for coordination.

(d) Analyze the SAR, placing emphasis on the cost data contained in the report.

(e) Provide representation for working group meetings.

(f) Prepare the SAR in final form, obtain Staff and field coordination, and forward SAR to OSD through ASA (IL&FM).

(2) The Deputy Chief of Staff for Research, Development, and Acquisition will—

(a) Review the SAR for accuracy and consistency with the latest relevant program information.

(b) Provide representation for working group meetings.

(c) Provide summary information papers on each SAR to the Vice Chief of Staff of the Army prior to meeting of the Quarterly Army Secretariat SAP, Review.

(3) The Deputy Chief of Staff for Plans and Operations will—

- (a) Review the SAR with particular emphasis on quantities of hardware items to be procured to assure consistency with initial issue requirements.
- (b) Provide representation for working group meetings.
- (4) Chief of Engineers will:
 - (a) Review the SAR with particular emphasis on military construction appropriation cost data.
 - (b) Provide representation for working group meetings.
- (5) CG DARCOM and other major commands and agencies will—
 - (a) Prepare and submit the SAR in accordance with the prescribed format and schedule.
 - (b) Include in the SAR the following three sections in addition to those required by DODI 7000.3:
 1. Supplemental Contractor Costs (to be detached and furnished separately to OASD (Comptroller))
 2. Unit Cost Summary (to be detached by HQDA)
 3. Operating and support Cost Estimate (to be detached by HQDA)
 - (c) Prepare these additional three sections in accordance with the guidance provided in appendix E.
 - (d) Schedule and chair a working group meeting for the purpose of obtaining a unified Army initial position on the SAR.
 - (e) Submit the original SAR with 34 copies, 2 of which will have all classified data indicated brackets. The level of classification of the data contained within the brackets will be indicated by placing a letter (S for SECRET and C for CONFIDENTIAL) adjacent to the brackets. Submit the SAR to HQDA (DACA-CAW) WASH DC 20310, in accordance with the schedule provided by COA.
 - (f) Participate in Secretarial Reviews of the SARs.
 - (g) Respond to additional tasking by COA support of the continued review of the Army SAR by HQDA and OSD.

Appendix A
Performance Measurement for Selected Acquisitions

NUMBER 7000.2
DATE June 10, 1977



Department of Defense Instruction

ASD(C)

SUBJECT Performance Measurement for Selected Acquisitions

- References:
- (a) DoD Directive 7000.1, "Resource Management Systems of the Department of Defense," August 22, 1966
 - (b) DoD Directive 5000.1, "Major System Acquisitions," January 18, 1977
 - (c) DoD Directive 5000.2, "Major System Acquisition Process," January 18, 1977
 - (d) through (i), see enclosure 2.

A. REISSUANCE AND PURPOSE

This Instruction reissues reference (f) and sets forth objectives and criteria for the application of uniform DoD requirements to selected defense contracts. The provisions of this Instruction specifically require the use of Cost/Schedule Control Systems Criteria (C/SCSC) in selected acquisitions. Reference (f) is hereby superseded and cancelled.

B. APPLICABILITY AND SCOPE

1. The provisions of this Instruction apply to all Military Departments and Defense Agencies (hereafter referred to as "DoD Components") which are responsible for acquisitions during systems development and production.

2. The acquisitions governed by this Instruction are in selected contracts and subcontracts within programs designated as major system acquisition programs in accordance with reference (b). Firm-fixed-price and firm-fixed-price-with-economic-price-adjustment contracts are excluded. Application of the C/SCSC to major construction projects is also encouraged where appropriate.

C. OBJECTIVES

1. To provide an adequate basis for responsible decision-making by both contractor management and DoD Components, contractors' internal management control systems must provide data which (a) indicate work progress, (b) properly relate cost, schedule and technical accomplishment, (c) are valid, timely and auditable, and (d) supply DoD managers with information at a practicable level of summarization.

2. To bring to the attention of, and encourage, DoD contractors to accept and install management control systems and procedures which are most effective in meeting their requirements and controlling contract performance. DoD contractors also should be continuously alert to advances in management control systems which will improve their internal operations.

Figure A-1.

D. POLICY

1. It shall be the general policy to (a) require applications of the C/SCSC as stated in enclosure 1 to programs that are within the scope of section B., above, (b) require no changes in contractors' existing cost/schedule control systems except those necessary to meet the C/SCSC, and (c) require the contractor to provide to the Government performance data directly from the same system used for internal management.

2. The policies and criteria contained herein will not be construed as requiring the use of specific systems or changes in accounting systems which will adversely affect (a) the equitable distribution of costs to all contracts, or (b) compliance with the standards, rules, and regulations promulgated by the Cost Accounting Standards Board.

3. Subcontracts within applicable programs, excluding those that are firm-fixed-price, may be selected for application of these criteria by mutual agreement between prime contractors and the contracting DoD Component, according to the criticality of the subcontract to the program. Coverage of certain critical subcontracts may be directed by the Department of Defense, subject to the changes article of the contracts. In those cases where a subcontractor is not required to comply with the criteria, the Cost/Schedule Status Report (C/SSR) approach to performance measurement set forth in DoD Instruction 7000.10 (reference (g)) will normally be used. The limitations in reference (g) apply.

4. The applicability of C/SCSC and provisions concerning the acceptability and use of contractor's cost/schedule control systems shall be (a) included in the Decision Coordinating Papers (DCP) leading to the decisions for full-scale development and production, (b) addressed in procurement plans, (c) set forth in Requests for Proposal (RFP), and (d) made a contractual requirement in appropriate procurements.

a. Reviews of Systems. To ensure compliance with the Cost/Schedule Control Systems Criteria, contractors' systems will be reviewed during various phases of the contracting process.

(1) Where the C/SCSC are included as a requirement in the RFP, an Evaluation Review will be performed as an integral part of the source selection process.

(2) After contract award, an in-plant Demonstration Review will be made to verify that the contractor is operating systems which meet the criteria.

(3) Upon successful completion of the Demonstration Review, contractors will not be subjected to another Demonstration Review unless there are positive indications that the contractor's systems no longer operate so as to meet the criteria.

(4) Subsequent contracts may require a review of shorter duration and less depth to ensure the appropriate and effective application of the accepted systems to the new contract.

(5) Detailed procedures relating to contractual application, interpretative guidance, interservice relationships, and conduct of systems reviews are contained in the Cost/Schedule Control Systems Criteria Joint Implementation Guide (reference (h)).

b. Memorandum of Understanding. After determination that a management system meets C/SCSC, a Memorandum of Understanding may be established between the Department of Defense and the contractor to apply to future contracts.

(1) The use of a Memorandum of Understanding contemplates the execution of a written instrument which references the C/SCSC and negotiated provisions which (a) reflect an understanding between the contractor and the DoD of the requirements of the DoD criteria, and (b) identify the specific system(s) which the contractor intends to use on applicable contracts with DoD Components.

(2) The Memorandum of Understanding will include or make reference to a written description of the system(s) accepted in a Demonstration Review. The system description should be of sufficient detail to permit adequate surveillance by responsible parties. The use of a Memorandum of Understanding is preferred where a number of separate contracts between one or more DoD Component(s) and the contractor may be entered into during the term of the Memorandum of Understanding. It contemplates the delegation of authority to the DoD Component negotiating the Memorandum of Understanding with the contractor to make the agreement on behalf of all prospective DoD contracting components.

(3) Action to develop a Memorandum of Understanding may be initiated by either the contractor or the DoD Component, but will usually be in connection with a contractual requirement. In a proposal, reference to a Memorandum of Understanding satisfies the C/SCSC requirement in RFP's and normally obviates the need for further Evaluation Review during source selection. Procedures for executing Memorandums of Understanding are included in the Cost/Schedule Control Systems Criteria Joint Implementation Guide (reference (h)).

c. Surveillance. Recurring evaluations of the effectiveness of the contractor's policies and procedures will be performed to ensure that the contractor's system continues to meet the C/SCSC and provides valid data consistent with the intent of this Instruction. Surveillance reviews will be based on selective tests of reported data and periodic evaluations of internal practices during the life of the contract. Guidance for surveillance is set forth in the C/SCSC Joint Surveillance Guide (reference (i)).

E. RESPONSIBILITIES

Pursuant to authority contained in DoD Directive 7000.1 (reference (a)):

1. The Assistant Secretary of Defense (Comptroller) will establish policy guidance pertaining to the Cost/Schedule Control Systems Criteria and will monitor their implementation to ensure consistent application throughout the Department of Defense.

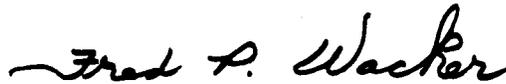
2. The Secretaries of the Military Departments will issue appropriate instructions which promulgate the policies contained herein and which assign responsibilities for accomplishing the actions required to validate contractors' compliance with the C/SCSC.

3. The Joint Logistics Commanders will develop and issue joint implementing instructions which outline the procedures to be used in applying, testing and monitoring the C/SCSC on applicable contracts and will ensure that adequate reviews of contractors' systems are performed. The joint implementing procedures and their revisions will be coordinated among all affected DoD Components and submitted to the Assistant Secretary of Defense (Comptroller) for review prior to publication.

4. The Defense Contract Audit Agency and the appropriate Contract Administration Service office will participate in reviews of contractors' systems under their cognizance and will perform required surveillance, collaborating with each other and with the procuring DoD Component in reviewing areas of joint interest.

F. EFFECTIVE DATE AND IMPLEMENTATION

This Instruction is effective immediately. Forward two copies of the implementing documents to the Assistant Secretary of Defense (Comptroller) within 60 days.



Assistant Secretary of Defense
(Comptroller)

Enclosures - 2

1. Cost/Schedule Control Systems Criteria
2. List of additional references

COST/SCHEDULE CONTROL SYSTEMS CRITERIA

1. GENERAL

a. Any system used by the contractor in planning and controlling the performance of the contract shall meet the criteria set forth in paragraph 3., below. Nothing in these criteria is intended to affect the basis on which costs are reimbursed and progress payments are made, and nothing herein will be construed as requiring the use of any single system, or specific method of management control or evaluation of performance. The contractor's internal systems need not be changed, provided they satisfy these criteria.

b. An element in the evaluation of proposals will be the proposer's system for planning and controlling contract performance. The proposer will fully describe the system to be used. The prospective contractor's cost/schedule control system proposal will be evaluated to determine if it meets these criteria. The prospective contractor will agree to operate a compliant system throughout the period of contract performance if awarded the contract. The DoD will agree to rely on the contractor's compliant system and therefore will not impose a separate planning and control system.

2. DEFINITIONS

a. ACTUAL COST OF WORK PERFORMED (ACWP). The costs actually incurred and recorded in accomplishing the work performed within a given time period.

b. ACTUAL DIRECT COSTS. Those costs identified specifically with a contract, based upon the contractor's cost identification and accumulation system as accepted by the cognizant DCAA representatives. (See Direct Costs.)

c. ALLOCATED BUDGET. (See Total Allocated Budget.)

d. APPLIED DIRECT COSTS. The amounts recognized in the time period associated with the consumption of labor, material, and other direct resources, without regard to the date of commitment or the date of payment. These amounts are to be charged to work-in-process in the time period that any one of the following takes place:

(1) When labor, material and other direct resources are actually consumed, or

(2) When material resources are withdrawn from inventory for use, or

(3) When material resources are received that are uniquely identified to the contract and scheduled for use within 60 days, or

Figure A-5.

(4) When major components or assemblies are received on a line flow basis that are specifically and uniquely identified to a single serially numbered end item.

e. APPORTIONED EFFORT. Effort that by itself is not readily divisible into short-span work packages but which is related in direct proportion to measured effort.

f. AUTHORIZED WORK. That effort which has been definitized and is on contract, plus that for which definitized contract costs have not been agreed to but for which written authorization has been received.

g. BASELINE. (See Performance Measurement Baseline.)

h. BUDGETED COST FOR WORK PERFORMED (BCWP). The sum of the budgets for completed work packages and completed portions of open work packages, plus the appropriate portion of the budgets for level of effort and apportioned effort.

i. BUDGETED COST FOR WORK SCHEDULED (BCWS). The sum of budgets for all work packages, planning packages, etc., scheduled to be accomplished (including in-process work packages), plus the amount of level of effort and apportioned effort scheduled to be accomplished within a given time period.

j. BUDGETS FOR WORK PACKAGES. (See Work Package Budgets.)

k. CONTRACT BUDGET BASE. The negotiated contract cost plus the estimated cost of authorized unpriced work.

l. CONTRACTOR. An entity in private industry which enters into contracts with the Government. In this Instruction, the word may also apply to Government-owned, Government-operated activities which perform work on major defense programs.

m. COST ACCOUNT. A management control point at which actual costs can be accumulated and compared to budgeted costs for work performed. A cost account is a natural control point for cost/schedule planning and control, since it represents the work assigned to one responsible organizational element on one contract work breakdown structure (CWBS) element.

n. DIRECT COSTS. Any costs which can be identified specifically with a particular final cost objective. This term is explained in ASPR 15-202.

o. ESTIMATED COST AT COMPLETION OR ESTIMATE AT COMPLETION (EAC). Actual direct costs, plus indirect costs allocable to the contract, plus the estimate of costs (direct and indirect) for authorized work remaining.

p. INDIRECT COSTS. Costs, which because of their incurrence for common or joint objectives, are not readily subject to treatment as direct costs. This term is further defined in ASPR 3-701.3 and ASPR 15-203.

- q. INITIAL BUDGET. (See Original Budget.)
- r. INTERNAL REPLANNING. Replanning actions performed by the contractor for remaining effort within the recognized total allocated budget.
- s. LEVEL OF EFFORT (LOE). Effort of a general or supportive nature which does not produce definite end products or results.
- t. MANAGEMENT RESERVE. (Synonymous with Management Reserve Budget). An amount of the total allocated budget withheld for management control purposes rather than designated for the accomplishment of a specific task or set of tasks. It is not a part of the Performance Measurement Baseline.
- u. NEGOTIATED CONTRACT COST. The estimated cost negotiated in a cost-plus-fixed-fee contract, or the negotiated contract target cost in either a fixed-price-incentive contract or a cost-plus-incentive-fee contract.
- v. ORIGINAL BUDGET. The budget established at, or near, the time the contract was signed, based on the negotiated contract cost.
- w. OVERHEAD. (See Indirect Costs.)
- x. PERFORMANCE MEASUREMENT BASELINE. The time-phased budget plan against which contract performance is measured. It is formed by the budgets assigned to scheduled cost accounts and the applicable indirect budgets. For future effort, not planned to the cost account level, the performance measurement baseline also includes budgets assigned to higher level CWBS elements, and undistributed budgets. It equals the total allocated budget less management reserve.
- y. PERFORMING ORGANIZATION. A defined unit within the contractor's organization structure, which applies the resources to perform the work.
- z. PLANNING PACKAGE. A logical aggregation of work within a cost account, normally the far term effort, that can be identified and budgeted in early baseline planning, but is not yet defined into work packages.
- aa. PROCURING ACTIVITY. The subordinate command in which the Procuring Contracting Office (PCO) is located. It may include the program office, related functional support offices, and procurement offices. Examples of procuring activities are AFSC/ESD, AFLC/OC-ALC, DARCOM/MIRADCOM, and NMC/NAVAIRSYSCOM.
- bb. REPLANNING. (See Internal Replanning.)
- cc. REPROGRAMMING. Replanning of the effort remaining in the contract, resulting in a new budget allocation which exceeds the contract budget base.

dd. RESPONSIBLE ORGANIZATION. A defined unit within the contractor's organization structure which is assigned responsibility for accomplishing specific tasks.

ee. SIGNIFICANT VARIANCES. Those differences between planned and actual performance which require further review, analysis, or action. Appropriate thresholds should be established as to the magnitude of variances which will require variance analysis.

ff. TOTAL ALLOCATED BUDGET. The sum of all budgets allocated to the contract. Total allocated budget consists of the performance measurement baseline and all management reserve. The total allocated budget will reconcile directly to the contract budget base. Any differences will be documented as to quantity and cause.

gg. UNDISTRIBUTED BUDGET. Budget applicable to contract effort which has not yet been identified to CWBS elements at or below the lowest level of reporting to the Government.

hh. VARIANCES. (See Significant Variances.)

ii. WORK BREAKDOWN STRUCTURE. A product-oriented family tree division of hardware, software, services, and other work tasks which organizes, defines, and graphically displays the product to be produced, as well as the work to be accomplished to achieve the specified product.

(1) Project Summary Work Breakdown Structure. A summary WBS tailored to a specific defense materiel item by selecting applicable elements from one or more summary WBS's or by adding equivalent elements unique to the project (MIL-STD-881A).

(2) Contract Work Breakdown Structure (CWBS). The complete WBS for a contract, developed and used by a contractor within the guidelines of MIL-STD-881A, and according to the contract work statement.

jj. WORK PACKAGE BUDGETS. Resources which are formally assigned by the contractor to accomplish a work package, expressed in dollars, hours, standards, or other definitive units.

kk. WORK PACKAGES. Detailed short-span jobs, or material items, identified by the contractor for accomplishing work required to complete the contract. A work package has the following characteristics:

(1) It represents units of work at levels where work is performed.

(2) It is clearly distinguishable from all other work packages.

(3) It is assignable to a single organizational element.

(4) It has scheduled start and completion dates and, as applicable, interim milestones, all of which are representative of physical accomplishment.

(5) It has a budget or assigned value expressed in terms of dollars, man-hours, or other measurable units.

(6) Its duration is limited to a relatively short span of time or it is subdivided by discrete value-milestones to facilitate the objective measurement of work performed.

(7) It is integrated with detailed engineering, manufacturing, or other schedules.

3. CRITERIA

The contractors' management control systems will include policies, procedures, and methods which are designed to ensure that they will accomplish the following:

a. Organization

(1) Define all authorized work and related resources to meet the requirements of the contract, using the framework of the CWBS.

(2) Identify the internal organizational elements and the major subcontractors responsible for accomplishing the authorized work.

(3) Provide for the integration of the contractor's planning, scheduling, budgeting, work authorization and cost accumulation systems with each other, the CWBS, and the organizational structure.

(4) Identify the managerial positions responsible for controlling overhead (indirect costs).

(5) Provide for integration of the CWBS with the contractor's functional organizational structure in a manner that permits cost and schedule performance measurement for CWBS and organizational elements.

b. Planning and Budgeting

(1) Schedule the authorized work in a manner which describes the sequence of work and identifies the significant task interdependencies required to meet the development, production and delivery requirements of the contract.

(2) Identify physical products, milestones, technical performance goals, or other indicators that will be used to measure output.

(3) Establish and maintain a time-phased budget baseline at the cost account level against which contract performance can be measured. Initial budgets established for this purpose will be based on the negotiated target cost. Any other amount used for performance measurement purposes must be formally recognized by both the contractor and the Government.

(4) Establish budgets for all authorized work with separate identification of cost elements (labor, material, etc.).

(5) To the extent the authorized work can be identified in discrete, short-span work packages, establish budgets for this work in terms of dollars, hours, or other measurable units. Where the entire cost account cannot be subdivided into detailed work packages, identify the far term effort in larger planning packages for budget and scheduling purposes.

(6) Provide that the sum of all work package budgets, plus planning package budgets within a cost account equals the cost account budget.

(7) Identify relationships of budgets or standards in underlying work authorization systems to budgets for work packages.

(8) Identify and control level of effort activity by time-phased budgets established for this purpose. Only that effort which cannot be identified as discrete, short-span work packages or as apportioned effort will be classed as level of effort.

(9) Establish overhead budgets for the total costs of each significant organizational component whose expenses will become indirect costs. Reflect in the contract budgets at the appropriate level the amounts in overhead pools that will be allocated to the contract as indirect costs.

(10) Identify management reserves and undistributed budget.

(11) Provide that the contract target cost plus the estimated cost of authorized but unpriced work is reconciled with the sum of all internal contract budgets and management reserves.

c. Accounting

(1) Record direct costs on an applied or other acceptable basis in a formal system that is controlled by the general books of account.

(2) Summarize direct costs from cost accounts into the WBS without allocation of a single cost account to two or more WBS elements.

(3) Summarize direct costs from the cost accounts into the contractor's functional organizational elements without allocation of a single cost account to two or more organizational elements.

(4) Record all indirect costs which will be allocated to the contract.

(5) Identify the bases for allocating the cost of apportioned effort.

(6) Identify unit costs, equivalent unit costs, or lot costs as applicable.

(7) The contractor's material accounting system will provide for:

(a) Accurate cost accumulation and assignment of costs to cost accounts in a manner consistent with the budgets using recognized, acceptable costing techniques.

(b) Determination of price variances by comparing planned versus actual commitments.

(c) Cost performance measurement at the point in time most suitable for the category of material involved, but no earlier than the time of actual receipt of material.

(d) Determination of cost variances attributable to the excess usage of material.

(e) Determination of unit or lot costs when applicable.

(f) Full accountability for all material purchased for the contract, including the residual inventory.

d. Analysis

(1) Identify at the cost account level on a monthly basis using data from, or reconcilable with, the accounting system:

(a) Budgeted cost for work scheduled and budgeted cost for work performed.

(b) Budgeted cost for work performed and applied (actual where appropriate) direct costs for the same work.

(c) Variances resulting from the above comparisons classified in terms of labor, material, or other appropriate elements together with the reasons for significant variances.

(2) Identify on a monthly basis, in the detail needed by management for effective control, budgeted indirect costs, actual indirect costs, and variances along with the reasons.

(3) Summarize the data elements and associated variances listed in (1) and (2) above through the contractor organization and WBS to the reporting level specified in the contract.

(4) Identify significant differences on a monthly basis between planned and actual schedule accomplishment and the reasons.

(5) Identify managerial actions taken as a result of criteria items (1) through (4) above.

(6) Based on performance to date and on estimates of future conditions, develop revised estimates of cost at completion for WBS elements identified in the contract and compare these with the contract budget base and the latest statement of funds requirements reported to the Government.

e. Revisions and Access to Data

(1) Incorporate contractual changes in a timely manner recording the effects of such changes in budgets and schedules. In the directed effort prior to negotiation of a change, base such revisions on the amount estimated and budgeted to the functional organizations.

(2) Reconcile original budgets for those elements of the work breakdown structure identified as priced line items in the contract, and for those elements at the lowest level of the DoD Project Summary WBS, with current performance measurement budgets in terms of (a) changes to the authorized work and (b) internal replanning in the detail needed by management for effective control.

(3) Prohibit retroactive changes to records pertaining to work performed that will change previously reported amounts for direct costs, indirect costs, or budgets, except for correction of errors and routine accounting adjustments.

(4) Prevent revisions to the contract budget base (paragraph 2.k.) except for Government directed changes to contractual effort.

(5) Document, internally, changes to the performance measurement baseline (paragraph 2.x.) and, on a timely basis, notify the procuring activity through prescribed procedures.

(6) Provide the contracting officer and his duly authorized representatives access to all of the foregoing information and supporting documents.

Figure A-12.

REFERENCES

- (d) Armed Services Procurement Regulation (1976 Edition)
- (e) MIL-STD-881A, "Work Breakdown Structures for Defense Material Items," April 25, 1975
- (f) DoD Instruction 7000.2, "Performance Measurement for Selected Acquisitions," April 25, 1972 (hereby cancelled)
- (g) DoD Instruction 7000.10, "Contract Cost Performance, Funds Status and Cost/Schedule Status Reports," August 6, 1974
- (h) AFSCP/AFLCP 173-5, DARCOM-P 715-5, NAVMAT P5240, DSAH 8315.2 "Cost/Schedule Control Systems Criteria Joint Implementation Guide," October 1, 1976
- (i) DARCOM-P 715-10, NAVMAT P5243, AFLCP/AFSCP 173-6, DSAH 8315.1, DCAAP 7641.46, "C/SCSC Joint Surveillance Guide," July 1, 1974 and Change 1, October 1, 1976

Figure A-13.

Appendix B
Contract Cost Performance, Funds Status and Cost/Schedule Status Reports



December 3, 1979
NUMBER 7000.10

Department of Defense Instruction ASD (C)

SUBJECT Contract Cost Performance, Funds Status and Cost/Schedule Status Reports

- References:
- (a) DoD Instruction 7000.10, "Contract Cost Performance, Funds Status and Cost/Schedule Status Reports," August 6, 1974 (hereby canceled)
 - (b) DoD Directive 7000.1, "Resource Management Systems of the Department of Defense," August 22, 1966
 - (c) DoD Directive 5000.1, "Major System Acquisitions," January 18, 1977
 - (d) through (j), see enclosure 1

A. REISSUANCE AND PURPOSE

This Instruction:

1. Reissues reference (a) to revise the Cost Performance Report (CPR), the Contract Funds Status Report (CFSR), and the Cost/Schedule Status Report (C/SSR);
2. Assigns responsibilities and provides uniform guidance for implementation of the CPR, the CFSR, and the C/SSR; and
3. Provides procedures for collecting summary level cost, and schedule performance and funding data from contractors for program management purposes, pursuant to references (b), (c), and DoD Directive 5000.2 (reference (d)), and for responding to requests for program status information on major system acquisitions, primarily by means of DoD Instruction 7000.3 (reference (e)).

B. APPLICABILITY AND SCOPE

The provisions of this Instruction apply to the Office of the Secretary of Defense, the Military Departments, the Defense Agencies, and the Unified and Specified Commands (hereafter referred to as "DoD Components") responsible for (1) managing acquisition contracts falling within the scope of section C., and (2) determining fund requirements for contracts and managing the flow of such funds. Application of the provisions of this Instruction to construction contracts is encouraged where appropriate.

C. POLICIES

1. In concert with the policies established in DoD Directive 5000.2 (reference (d)), utilization of the CPR, CFSR, and C/SSR shall

Figure B-1.

be limited by system managers to that necessary to achieve essential management control.

a. Contractors are encouraged to substitute internal reports for CPR, CFSR, and C/SSR provided that (1) data elements and definitions used in the reports are comparable to CPR, CFSR and C/SSR requirements, and (2) the reports are in forms suitable for management use.

b. As applicable, provisions of DoD Directive 5000.19 (reference (f)) concerning the tailoring of management systems may be employed by system managers in the implementation of CPR, CFSR, and C/SSR.

2. Instructions regarding levels of detail and frequencies of reporting are contained in the Data Item Descriptions (DD Forms 1664) in enclosures 2, 3, and 4 of this Instruction. Local reproduction of formats contained in these enclosures is authorized.

3. The Cost Performance Report (CPR):

a. Provides (1) contract cost/schedule status information for use in making and validating management decisions, (2) early indicators of contract cost/schedule problems, and (3) effects of management actions taken to resolve problems affecting cost/schedule performance.

b. Applies to selected contracts within those programs designated as major system acquisitions in accordance with the criteria of DoD Directive 5000.1 (reference (c)). CPRs will be applied to all contracts which require compliance with the Cost/Schedule Control Systems Criteria (C/SCSC) of DoD Instruction 7000.2 (reference (g)).

c. Will not be required on firm fixed-price contracts (as defined in Section 3-404.2 of the Defense Acquisition Regulation (reference (h))), unless those contracts represent the development or production of a major defense system or a major component thereof and circumstances require cost/schedule visibility.

d. Applies to ongoing contracts only in those cases where the procuring agencies consider it necessary to support program management needs and DoD requirements for information. Some of the factors which may affect applications to ongoing contracts are anticipated time to contract completion, anticipated program deferrals, and the relative importance of subcontracts.

e. Is assigned OMB Approval No. 22-R0280.

4. The Contract Funds Status Report (CFSR):

a. Supplies funding data that, with other related inputs, provides DoD management with information to assist in (1) updating and forecasting contract fund requirements, (2) planning and decision-making on funding changes, (3) developing fund requirements and budget estimates in support of approved programs, and (4) determining funds in excess of contract needs and available for deobligation.

b. Applies to all contracts greater than \$500,000.

c. Will not apply to firm fixed-price contracts unless the contract represents the development or production of a major defense system or a major component thereof and specific funding visibility is required. CFSR may be applied to unpriced portions of firm fixed-price contracts that individually or collectively are estimated by the Government to be in excess of 20 percent of the initial contract value. In such cases, the contract will delineate the specific CFSR requirements, if any, to be imposed on the contractor to fit the circumstances of each particular case.

d. May be implemented at a reduced level of reporting for (1) those contracts with a dollar value between \$100,000 and \$500,000; (2) time and material contracts; and (3) contractual effort for which the entire CFSR report is not required by the procuring activity, but limited funding requirements information is needed.

e. Will not be required on:

(1) Contracts with a total value of less than \$100,000, or

(2) Contracts expected to be completed within 6 months.

f. Is assigned OMB Approval No. 22-R0180.

5. The Cost/Schedule Status Report (C/SSR):

a. Provides summarized cost and schedule performance status information on contracts where application of the CPR is not appropriate.

b. Applies to contracts of \$2,000,000 or over and 12 months' duration or more which do not use the CPR. (DoD Instruction 7000.11 (reference (i)) provides for application of Contractor Cost Data Reporting (CCDR) to Category II contracts. To avoid the possibility of duplicative reporting, those elements of cost which are provided by the C/SSR will not be required by CCDR.)

c. Will not be required on firm fixed-price contracts unless those contracts represent the development or production of a critical component of a major defense system, and circumstances require cost/schedule visibility.

d. Is assigned OMB Approval No. 22-R0327.

D. RESPONSIBILITIES

1. The Heads of DoD Components will assure that:

a. Contractor reports are timely and submitted in accordance with the instructions contained in enclosures 2, 3, and 4.

b. Submitted data are checked for discrepancies and necessary corrections are furnished by contractors.

c. Application of the CPR, CFSR, and C/SSR to ongoing programs or firm fixed-price contracts is held to the minimum essential to support program management needs and DoD requirements for information.

d. Appropriate members of the Performance Measurement Joint Executive Group (reference (j)) provide a forum to arbitrate misapplications of CPR or C/SSR requirements that cannot be resolved amicably through focal points established in the headquarters of the procuring commands.

2. The Director of the cognizant Defense Contract Audit Agency (DCAA) office shall:

a. At the request of a DoD Component, provide advice at the time of preaward evaluations as to whether the contractor's accounting and control systems are adequate and reliable for CPR, CFSR, and C/SSR reporting purposes.

b. Review selected CPR, CFSR, and C/SSR reports when it is considered necessary to assure the continuing adequacy and reliability of procedures and the validity of reported data.

c. Review selected individual CPR, CFSR, and C/SSR reports when requested by the Procuring Contracting Officer (PCO) or Administrative Contracting Officer (ACO) and submit a report thereon.

Figure B-4.

E. EFFECTIVE DATE AND IMPLEMENTATION

This Instruction is effective immediately. Forward two copies of implementing documents to the Assistant Secretary of Defense (Comptroller) within 120 days.



Fred P. Wacker
Assistant Secretary of Defense
(Comptroller)

Enclosures - 4

1. References
2. DD Form 1664, DI Number DI-F-6000C,
Cost Performance Report (CPR)
3. DD Form 1664, DI Number DI-F-6004B,
Contract Funds Status Report (CFSR)
4. DD Form 1664, DI Number DI-F-6010A,
Cost/Schedule Status Report (C/SSR)

Figure B-5.

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References, continued

- (d) DoD Directive 5000.2, "Major System Acquisition Process,"
January 18, 1977
- (e) DoD Instruction 7000.3, "Selected Acquisition Reports (SARs),"
April 4, 1979
- (f) DoD Directive 5000.19, "Policies for the Management and Control
of Information Requirements," March 12, 1976
- (g) DoD Instruction 7000.2, "Performance Measurement for Selected
Acquisitions," June 10, 1977
- (h) Defense Acquisition Regulation (1976), Section 3-404.2
- (i) DoD Instruction 7000.11, "Contractor Cost Data Reporting (CCDR),"
September 5, 1973
- (j) AFSCP/AFLCP 173-5, DARCOM-P 715-5, NAVMAT P5240, DSAH 8315.2,
"Cost/Schedule Control Systems Criteria Joint Implementation Guide,"
October 1, 1976

Figure B-6.

DATA ITEM DESCRIPTION		2. IDENTIFICATION NO(S).	
		AGENCY	NUMBER
1. TITLE COST PERFORMANCE REPORT (CPR)		DOD	DI-F-6000C
3. DESCRIPTION/PURPOSE 3.1 This report is prepared by contractors and consists of five formats containing cost and related data for measuring contractors' cost and schedule performance. Format 1 provides data to measure cost and schedule performance by summary level work breakdown structure elements. Format 2 provides a similar measurement by organizational or functional cost categories. Format 3 provides the budget baseline plan against which performance is measured. Format 4 provides manpower loading forecasts for (Continued on page 2)		4. APPROVAL DATE 1 December 1979	
		5. OFFICE OF PRIMARY RESPONSIBILITY OASD(C)MS	
		6. DDC REQUIRED	
		8. APPROVAL LIMITATION	
7. APPLICATION/INTERRELATIONSHIP 7.1 The CPR normally will be required for selected contracts within those programs designated as major programs in accordance with DoD Directive 5000.1, "Major System Acquisitions." It will be established as a contractual requirement as set forth in the DD Form 1423 Contract Data Requirements List (CDRL), and DD Form 1660, Management System Summary List. 7.2 If the CPR supports a contractual requirement for contractor compliance with the Cost/Schedule Control Systems Criteria (C/SCSC), the CPR data elements will reflect the contractor's implementation in accordance with DoD Instruction 7000.2, "Performance Measurement for Selected Acquisitions." If compliance with the C/SCSC is not contractually required, (Continued on pages 2 and 3)		9. REFERENCES (Mandatory as cited in block 10) DoD 4120.3M, Aug 78 DoDD 5000.1, 18 Jan 77 DoDD 5000.19, 12 Mar 76 DoDD 5000.32, 10 Mar 77 DoDI 7000.2, 10 Jun 77 DoDI 7000.10, 6 Aug 74 Cost Accounting Standard 414, 1 Sep 76	
		MCSL NUMBER(S) 00934	
10. PREPARATION INSTRUCTIONS 10.1 Unless otherwise stated in the solicitation, the effective issue of the document(s) cited in the referenced document(s) in this block shall be that listed in the issue of the DoD Index of Specifications and Standards (reference DoD 4120.3M) and the supplements thereto specified in the solicitation and will form a part of this data item description to the extent defined within. 10.2 Hard copy printouts from contractors' internal mechanized reporting systems may be substituted for CPR formats provided the printouts contain all the required data elements at the specified reporting levels in a form suitable for DoD management use. Where data are furnished which require mechanized processing, narrative remarks should accompany tapes or cards and identify pertinent items to which they apply, and a listing of the tape or card data should be included to expedite processing. CPR formats will be completed in accordance with the following instructions: 10.2.1 <u>Heading Information - Formats 1 through 5</u> 10.2.1.1 <u>CONTRACTOR NAME AND LOCATION</u> : Enter the name, division, if applicable, plant location and mailing address of the reporting contractor. 10.2.1.2 <u>RDT&E</u> <input type="checkbox"/> <u>PRODUCTION</u> <input type="checkbox"/> : Check appropriate box. Separate reports are required for each type of contract. 10.2.1.3 <u>CONTRACT TYPE/NUMBER</u> : Enter the contract type, contract number and the number of the latest contract change or supplemental agreement applicable to the contract. (Continued on pages 3 through 13)			

DD FORM 1 JUN 68 1664

PAGE 1 OF 18 PAGES

Figure B-7.

DI-F-6000C (Continued)

3. DESCRIPTION/PURPOSE (Continued)

correlation with the budget plan and cost estimate predictions. Format 5 is a narrative report used to explain significant cost and schedule variances and other identified contract problems.

3.2 CPR data will be used by DoD system managers to: (a) evaluate contract performance, (b) identify the magnitude and impact of actual and potential problem areas causing significant cost and schedule variances, and (c) provide valid, timely program status information to higher headquarters.

7. APPLICATION/INTERRELATIONSHIP (Continued)

the data elements to be reported on the CPR will be as specified in the solicitation document or as subsequently negotiated.

7.3 Unless otherwise provided for in the contract, the CPR normally will be required on a monthly basis and submitted to the procuring activity no later than 25 calendar days following the reporting cutoff date. Reports may reflect data either as of the end of the calendar month or as of the contractor's accounting period cutoff date.

7.4 Data reported in the CPR will pertain to all authorized contract work, including both priced and unpriced effort. The level of detail to be reported normally will be limited to level three of the Contract Work Breakdown Structure (WBS) or higher. If a problem area is indicated at a lower level of the WBS, more detailed data will be provided until the problem is resolved. Functional data normally will be reported at the total contract level rather than by individual WBS elements. Certain aspects of the report are subject to negotiation between the Government and the contractor, such as:

7.4.1 The specific variance thresholds which, if exceeded, require problem analysis and narrative explanations.

7.4.2 The specific organizational or functional categories to be reported on Formats 2 and 4.

7.4.3 The specific time increments to be used for the baseline and manpower loading projections required by Formats 3 and 4.

7.4.4 The reporting provisions which apply to the COST OF MONEY line on Formats 1 and 2.

7.4.5 The reporting provisions which apply if compliance with C/SCSC is not contractually required.

Page 2 of 18 Pages

Figure B-8.

DI-F-6000C (Continued)

7. APPLICATION/INTERRELATIONSHIP (Continued)

7.5 In all cases, the CPR is subject to "tailoring" to require less data in accordance with the provisions of DoD Directive 5000.19, "Policies for the Management and Control of Information Requirements," and DoD Instruction 5000.32, "DoD Acquisition Management Systems and Data Requirements Control Program." All negotiated reporting provisions will be specified in the contract, including the reporting frequency, specific variance thresholds, and the WBS elements to be reported.

7.6 The prescribing document which generates this reporting requirement is DoD Instruction 7000.10, "Contract Cost Performance, Funds Status and Cost/Schedule Status Reports."

7.7 This Data Item Description supersedes DI-F-6000B.

10. PREPARATION INSTRUCTIONS (Continued)

10.2.1.4 PROGRAM NAME/NUMBER: Enter the program name, number, acronym and/or the type, model and series or other designation of the prime items purchased under the contract.

10.2.1.5 REPORT PERIOD: Enter the beginning and ending dates of the period covered by the report.

10.2.1.6 SECURITY CLASSIFICATION: Enter the appropriate security classification.

10.2.2 FORMAT 1 - WORK BREAKDOWN STRUCTURE:

10.2.2.1 SIGNATURE, TITLE AND DATE: The contractor's authorized representative will sign the report and enter his title and the date of signature.

10.2.2.2 QUANTITY: Enter the number of prime items to be procured on this contract.

10.2.2.3 NEGOTIATED COST: Enter the dollar value (excluding fee or profit) on which contractual agreement has been reached as of the cutoff date of the report. For an incentive contract, enter the definitized contract target cost. Amounts for changes will not be included in this item until they have been priced and incorporated in the contract through contract change order or supplemental agreement. For a fixed-fee contract, enter the estimated cost negotiated. Changes to the estimated cost will consist only of amounts for changes in the contract scope of work, not for cost growth.

Page 3 of 18 Pages

Figure B-9.

DI-F-6000C (Continued)

10. PREPARATION INSTRUCTIONS (Continued)

10.2.2.4 ESTIMATED COST OF AUTHORIZED, UNPRICED WORK: Enter the amount (excluding fee or profit) estimated for that work for which written authorization has been received, but for which definitized contract prices have not been incorporated in the contract through supplemental agreement.

10.2.2.5 TARGET PROFIT/FEE %: Enter the fee or percentage of profit which will apply if the negotiated cost of the contract (paragraph 10.2.2.3, above) is met.

10.2.2.6 TARGET PRICE: Enter the target price (negotiated contract cost plus profit/fee) applicable to the definitized contract effort.

10.2.2.7 ESTIMATED PRICE: Based on the latest revised estimate of cost at completion for all authorized contract work and the appropriate profit/fee, incentive, and cost sharing provisions, enter the estimated final contract price (total estimated cost to the Government). This number normally will change whenever the estimated cost at completion is revised.

10.2.2.8 SHARE RATIO: Enter the cost sharing ratio(s) applicable to costs over/under the negotiated contract cost.

10.2.2.9 CONTRACT CEILING: Enter the contract ceiling price applicable to the definitized effort.

10.2.2.10 ESTIMATED CONTRACT CEILING: Enter the estimated ceiling price applicable to all authorized contract effort including both definitized and undefinitized effort.

10.2.2.11 COLUMN (1) - ITEM

10.2.2.11.1 WORK BREAKDOWN STRUCTURE: Enter the noun description of the WBS item for which cost information is being reported. WBS items or levels reported will be those specified in the contract.

10.2.2.11.2 COST OF MONEY: Enter in Columns (2) through (16) the Cost of Money associated with the Cost of Facilities Capital applicable to the contract (see Cost Accounting Standard 414 for guidance).

10.2.2.11.3 GENERAL AND ADMINISTRATIVE (G&A): Enter in Columns (2) through (16) the appropriate G&A costs. If G&A has been included in the total costs reported above, G&A will be shown as a nonadd entry on this line with an appropriate notation. If a G&A classification is not used, no entry will be made other than an appropriate notation to that effect.

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Figure B-10.

DI-F-6000C (Continued)

10. PREPARATION INSTRUCTIONS (Continued)

10.2.2.11.4 UNDISTRIBUTED BUDGET: Enter in Columns (14) and (15) the amount of budget applicable to contract effort which has not yet been identified to WBS elements at or below the reporting level. For example, contract changes which were authorized late in the reporting period should have received a total budget; however, assignment of work and allocation of budgets to individual WBS elements may not have been accomplished as of the end of the period. Budgets which can be identified to WBS elements at or below the specified reporting level will be included in the total budgets shown for the WBS elements in the body of the report and will not be shown as undistributed budget. All undistributed budget will be fully explained in the narrative analysis section of the report (Format 5).

NOTE: The provisions made in this report for undistributed budget are primarily to accommodate temporary situations where time constraints prevent adequate budget planning or where contract effort can only be defined in very general terms. Undistributed budget should not be used as a substitute for adequate contract planning. Formal budgets should be allocated to contract effort and functional organizations at the earliest possible time, normally within the next reporting period.

10.2.2.11.5 SUBTOTALS: Enter the sum of the direct, indirect, Cost of Money, and G&A costs and budgets in Columns (2) through (16). In Columns (14) and (15) also add the undistributed budget.

10.2.2.11.6 MANAGEMENT RESERVE: An amount of the overall contract budget withheld for management control purposes rather than for the accomplishment of a specific task or set of tasks. In Column (14) enter the total amount of budget identified as management reserve as of the end of the current reporting period. In Column (15) enter the amount of management reserve expected to be consumed before the end of the contract. In Column (16) enter the difference between Columns (14) and (15). Amounts of management reserve applied to WBS elements during the reporting period and the rationale for the figure in Column (15) will be explained in the narrative analysis on Format 5. (The entry in Column (15) is discretionary and may be zero if the contractor does not wish to make an estimate.)

NOTE: Negative entries will not be made in Column (14). There is no such thing as "negative management reserve." If the contract is budgeted in excess of the Contract Budget Base (the negotiated contract cost plus the estimated cost for authorized-unpriced work), the provisions applicable to formal reprogramming and the instructions in paragraphs 10.2.2.11.8, 10.2.2.12.6 and 10.2.2.12.7 apply.

DI-F-6000C (Continued)

10. PREPARATION INSTRUCTIONS (Continued)

10.2.2.11.7 TOTAL: Enter the sum of all direct, indirect, Cost of Money, G&A costs, undistributed budgets and management reserves in Columns (2) through (16).

10.2.2.11.8 VARIANCE ADJUSTMENT: In exceptional cases, the procuring agency may authorize the contractor to establish baseline budgets which in total exceed the Contract Budget Base. If the contractor uses a portion of the additional budget to eliminate variances applicable to completed work, the total adjustments made to the schedule and cost variances will be shown on this line. The total cost variance adjustment entered on this line in Column (11) will be the sum of the individual cost variance adjustments listed in Column (12).

10.2.2.11.9 TOTAL CONTRACT VARIANCE: In Columns (10) and (11), enter on this line the sum of the cost and schedule variances shown on the TOTAL line and on the VARIANCE ADJUSTMENT line. In Column (14) enter the sum of the negotiated contract cost plus the estimated cost for authorized, unpriced work. In Column (15) enter the latest revised estimate of cost at completion. In Column (16) enter the difference between Columns (14) and (15).

10.2.2.12 Cols (2) through (16): If compliance with the C/SCSC is contractually required, Columns (2) through (16) will contain information developed by the contractor's system implemented in accordance with the definitions and criteria contained in DoD Instruction 7000.2. If compliance with C/SCSC is not contractually required, the data elements in these columns will be negotiated using the definitions of DoD Instruction 7000.2 for guidance.

10.2.2.12.1 Col (2) and Col (7) - BUDGETED COST-WORK SCHEDULED: For the time period indicated, enter the Budgeted Cost for Work Scheduled (BCWS) in these columns.

10.2.2.12.2 Col (3) and Col (8) - BUDGETED COST-WORK PERFORMED: For the time period indicated, enter the Budgeted Cost for Work Performed (BCWP) in these columns.

10.2.2.12.3 Col (4) and Col (9) - ACTUAL COST-WORK PERFORMED (ACWP): For the time period indicated, enter the actual direct and indirect costs for work performed without regard to ceiling. In all cases, costs and budgets will be reported on a comparable basis.

10.2.2.12.4 Col (5) and Col (10) - VARIANCE - SCHEDULE: For the time period indicated, these columns reflect the differences between BCWS and BCWP. For the current period, Col (5), schedule variance is derived by subtracting Col (2) (BCWS) from Col (3) (BCWP). For the cumulative to date, Col (10), schedule variance is derived by subtracting Col (7) (BCWS) from Col (8) (BCWP). A positive figure

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10. PREPARATION INSTRUCTIONS (Continued)

indicates a favorable variance. A negative figure (indicated by parentheses) indicates an unfavorable variance. Significant variances will be fully explained in the problem analysis on Format 5.

10.2.2.12.5 Col (6) and Col (11) - VARIANCE - COST: For the time period indicated, these columns reflect the differences between BCWP and ACWP. For the current period, Col (6), cost variance is derived by subtracting Col (4) (ACWP) from Col (3) (BCWP). For cumulative to date, Col (11), cost variance is derived by subtracting Col (9) (ACWP) from Col (8) (BCWP). A positive figure indicates a favorable variance. A negative figure (indicated by parentheses) indicates an unfavorable variance. Significant variances will be fully explained in the problem analysis on Format 5.

10.2.2.12.6 Col (12) REPROGRAMING ADJUSTMENTS - COST VARIANCE: Formal reprogramming results in budget allocations in excess of the Contract Budget Base and, in some instances, adjustments to previously reported variances. If such variance adjustments have been made, the adjustment applicable to each reporting line item affected will be entered in Col (12). The Total of Col (12) will equal the amount shown on the Variance Adjustment line in Col (11).

10.2.2.12.7 Col (13) REPROGRAMING ADJUSTMENTS - BUDGET: Enter the total amounts added to the budget for each reporting line item as the result of formal reprogramming. The amounts shown will consist of the sum of the budgets used to adjust cost variances (Col (12)) plus the additional budget added to the WBS element for remaining work. Enter the amount of budget added to management reserve in the space provided on the Management Reserve line. The Total of Col (13) will equal the amount the contract has been budgeted in excess of the Contract Budget Base. An explanation of the reprogramming will be provided in the Problem Analysis Report.

NOTE: Cols (12) and (13) are intended for use only in situations involving formal reprogramming (over-target baselines). Internal replanning actions within the Contract Budget Base do not require entries in these columns. Where contractors are submitting CPR data directly from mechanized systems, the addition of Cols (12) and (13) as shown may not be practical due to computer reprogramming problems or space limitations. In such cases, the information may be provided on a separate sheet and attached as Format 1a to each subsequent report. Contractors will not be required to abandon or modify existing mechanized reporting systems to include Cols (12) and (13) if significant costs will be associated with such change. Nor will contractors be required to prepare the report manually solely to include this information.

10. PREPARATION INSTRUCTIONS (Continued)

10.2.2.12.8 Col (14) - AT COMPLETION - BUDGETED: Enter the budgeted cost at completion for the WBS items listed in Col (1). This entry will consist of the sum of the original budgets plus or minus budget changes resulting from contract changes, internal replanning, and application of management reserves. The total should be equal to the negotiated contract cost plus the estimated cost of authorized but unpriced work except where special exception has been made resulting in formal reprogramming.

10.2.2.12.9 Col (15) - AT COMPLETION - LATEST REVISED ESTIMATE: Enter the latest revised estimate of cost at completion including estimated overrun/underrun for all authorized work.

10.2.2.12.10 Col (16) - AT COMPLETION - VARIANCE: Enter the difference between the Budgeted - At Completion (Col 14) and the Latest Revised Estimate at Completion (Col 15) by subtracting Col (15) from Col (14). A negative figure (indicated by parentheses) reflects an unfavorable variance. Significant variances will be fully explained on Format 5.

10.2.3 FORMAT 2 - FUNCTIONAL CATEGORIES:

10.2.3.1 Col (1) - ORGANIZATIONAL OR FUNCTIONAL CATEGORY: Under this item list the organizational units or functional categories which reflect the contractor's internal management structure in accordance with Contractor/Government agreement. This format will be used to collect organizational or functional cost information at the total contract level rather than for individual WBS elements. The level of detail to be reported will normally be limited to the organizational level immediately under the operating head of the facility except when there is a significant variance. If a problem area is indicated at a lower level of the organization, more detailed data will be provided until the problem is resolved.

10.2.3.2 COST OF MONEY: Enter in Columns (2) through (16) Cost of Money applicable to the contract (CAS 414).

10.2.3.3 GENERAL AND ADMINISTRATIVE: Enter in Columns (2) through (16) applicable GSA costs. (See paragraph 10.2.2.11.3).

10.2.3.4 UNDISTRIBUTED BUDGET: Enter in Cols (14) and (15) the budget applicable to contract effort which cannot be planned in sufficient detail to be assigned to a responsible organization or functional area at the reporting level. The amounts shown on this format may exceed the amounts shown as undistributed budget on Format 1 if budget is identified to a task at or below the WBS reporting level

DI-F-6000C (Continued)

10. PREPARATION INSTRUCTIONS (Continued)

but organizational identification has not been made; or may be less than the amount on Format 1 where budgets have been assigned to functional organizations but not to WBS elements.

10.2.3.5 SUBTOTAL: Enter the sum of the direct, indirect, Cost of Money, and G&A costs and budgets in Cols (2) through (16). In Cols (14) and (15) also add the undistributed budget.

10.2.3.6 MANAGEMENT RESERVE: In Col (14) enter the amount of budget identified as management reserve. In Col (15) enter the amount of management reserve forecasted to be consumed before the end of the contract. In Col (16) enter the difference between Cols (14) and (15). The MANAGEMENT RESERVE entries will be identical to those shown on Format 1. (The entry in Col (15) is discretionary and may be zero if the contractor does not wish to make an estimate.)

10.2.3.7 TOTAL: Enter the sum of all direct, indirect, Cost of Money, and G&A costs and budgets, undistributed budgets and management reserves in Cols (2) through (16). The totals on this page should equal the TOTAL line on page 1.

10.2.3.8 COLS (2) THROUGH (16): The instructions applicable to these columns are the same as the instructions for corresponding columns on Format 1 (see paragraphs 10.2.2.12.1 through 10.2.2.12.10). All significant variances will be fully explained in the problem analysis on Format 5.

10.2.4 FORMAT 3 - BASELINE:

10.2.4.1 BLOCK (1) - ORIGINAL CONTRACT TARGET COST: Enter the dollar value (excluding fee or profit) negotiated in the original contract. For a cost plus fixed-fee contract, enter the estimated cost negotiated. For an incentive contract, enter the definitized contract target cost.

10.2.4.2 BLOCK (2) - NEGOTIATED CONTRACT CHANGES: Enter the cumulative cost (excluding fee or profit) applicable to definitized contract changes which have occurred since the beginning of the contract.

10.2.4.3 BLOCK (3) - CURRENT TARGET COST: Enter the sum of Blocks (1) and (2). The amount shown should equal the current dollar value (excluding fee or profit) on which contractual agreement has been reached and should be the same as the amount shown as NEGOTIATED COST on Format 1.

10.2.4.4 BLOCK (4) - ESTIMATED COST OF AUTHORIZED, UNPRICED WORK: Enter the estimated cost (excluding fee or profit) for contract

10. PREPARATION INSTRUCTIONS (Continued)

changes for which written authorizations have been received, but for which contract prices have not been negotiated, as shown on Format 1.

10.2.4.5 BLOCK (5) - CONTRACT BUDGET BASE: Enter the sum of Blocks (3) and (4).

10.2.4.6 BLOCK (6) - TOTAL ALLOCATED BUDGET: Enter the sum of all budgets allocated to the performance of the contractual effort. The amount shown will include all management reserves and undistributed budgets. This amount will be the same as that shown on the TOTAL line in Col (14) on Format 1.

10.2.4.7 BLOCK (7) - DIFFERENCE: In most cases, the amounts shown in Blocks (5) and (6) will be identical. If the amount shown in Block (6) exceeds that shown in Block (5), the difference should be reflected as a negative value and explained in the narrative analysis on Format 5 at the time the negative value appears and subsequently for any change in the value.

10.2.4.8 BLOCK (8) - CONTRACT START DATE: Enter the date the contractor was authorized to start work on the contract, regardless of the date of contract definitization. (Long lead procurement efforts authorized under prior contracts are not to be considered.)

10.2.4.9 BLOCK (9) - CONTRACT DEFINITIZATION DATE: Enter the date the contract was definitized.

10.2.4.10 BLOCK (10) - LAST ITEM DELIVERY DATE: Enter the date the last major item of equipment is scheduled to be delivered to the government as specified in the contract. The date shown should represent the completion of the significant effort on the contract (approximately 95% of the total contractual effort in most cases).

10.2.4.11 BLOCK (11) - CONTRACT COMPLETION DATE: Enter the contract scheduled completion date in accordance with the latest contract modification.

10.2.4.12 BLOCK (12) - ESTIMATED COMPLETION DATE: Enter the latest revised estimate of contract completion.

10.2.4.13 COL (1) - ITEM:

10.2.4.13.1 PM BASELINE (BEGINNING OF PERIOD): The time-phased performance measurement baseline (including G&A) which existed at the beginning of the current reporting period. Most of the entries

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10. PREPARATION INSTRUCTIONS (Continued)

on this line are taken directly from the PM BASELINE (END OF PERIOD) line on the previous report. For example, the number in Col (4) on the PM BASELINE (END OF PERIOD) line from last month's report becomes the number in Col (3) on the PM BASELINE (BEGINNING OF PERIOD) line on this report. The number in Col (5) (end of period) last report becomes Col (4) (beginning of period) this report, etc. This rule pertains through Col (9) where the time increments change from monthly to some other periods of time. At this point, a portion of Col (10) (end of period) would go into Col (9) (beginning of period) and the remainder of Col (10) (end of period) would go into Col (10) (beginning of period). Cols (11) through (16) simply move directly up to the (beginning of period) line without changing columns.

10.2.4.13.2 BASELINE CHANGES: List by number, the contract changes and supplemental agreements authorized during the reporting period. All authorized baseline changes should be listed whether priced or unpriced. The amount of management reserve applied during the period should also be listed.

10.2.4.13.3 PM BASELINE (END OF PERIOD): The time-phased performance measurement baseline as it exists at the end of the reporting period. The difference between this line and the PM BASELINE (BEGINNING OF PERIOD) should represent the effects of the authorized changes and allocations of management reserves made during the period. Significant differences should be explained in Format 5 - Problem Analysis Report, in terms of reasons for necessary changes to time-phasing due to replanning, and reasons for the application of Management Reserve.

10.2.4.13.4 MANAGEMENT RESERVE: Enter the total amount of management reserve remaining as of the end of the reporting period.

10.2.4.13.5 TOTAL: Enter the sum of the PM BASELINE (END OF PERIOD) and the management reserve in Col (16). This amount should be the same as that shown on the TOTAL line in Col (14) on Format 1.

10.2.4.14 COL (2) - BCWS - CUM TO DATE: Enter the cumulative BCWS for the periods indicated. The entry on the PM BASELINE (BEGINNING OF PERIOD) line should be the same number reported as BCWS - CUM TO DATE (Col (7)) on the TOTAL line of Format 1 of the previous month's CPR. On the PM BASELINE (END OF PERIOD) line, enter the cumulative BCWS as of the last day of the reporting period. (This should be the same number which appears on the TOTAL line in Col (7) of Format 1 for this reporting period.)

10. PREPARATION INSTRUCTIONS (Continued)

10.2.4.15 COL (3) - BCWS FOR REPORT PERIOD: On the PM BASELINE (BEGINNING OF PERIOD) line, enter the BCWS planned for the reporting period. (This should be the number in Col (4) on the PM BASELINE (END OF PERIOD) line on the preceding month's report.)

10.2.4.16 Cols (4) through (14): In the Blocks above Columns (4) through (9), enter the appropriate months for the next six report periods. Enter the projected BCWS (by month for six months and by other specified periods, or as negotiated with the procuring activity) for the remainder of the contract.

10.2.4.17 COL (15) - UNDISTRIBUTED BUDGET: On the PM BASELINE (BEGINNING OF PERIOD) line, enter the number from Col (15) on the PM BASELINE (END OF PERIOD) line from the preceding report. On the PM BASELINE (END OF PERIOD) line, enter the Undistributed Budget shown in Col (14) on Format 1 of this report.

10.2.4.18 COL (16) - TOTAL BUDGET: On the PM BASELINE (BEGINNING OF PERIOD) line enter the number from Col (16) on the PM BASELINE (END OF PERIOD) line from the preceding report. In the section where base-line changes (priced and unpriced contract changes and changes in management reserve) which occurred during the period are listed in Col (1), enter the amount of each of the changes listed, (negotiated cost for priced changes not previously reported as authorized, unpriced changes; difference between estimated cost and negotiated cost for priced changes previously reported as authorized, unpriced changes; and estimated cost for authorized, unpriced changes). On the PM BASELINE (END OF PERIOD) line, enter the sum of the amount in the preceding columns on this line. On the MANAGEMENT RESERVE line, enter the amount of management reserve available at the end of the period. On the TOTAL line enter the sum of the amounts in this column on the PM BASELINE (END OF PERIOD) line and the MANAGEMENT RESERVE line. (This should equal the amount in Block (6) on this Format and also the amount of the TOTAL line in Col (14) of Format 1.)

10.2.5 Format 4 - Manpower Loading:

10.2.5.1 General: For those organizational or functional categories shown in Col (1) equivalent man-months will be indicated for the current reporting period, cumulative through the current period, and forecast to completion. Direct man-months will be shown for each organizational unit or major functional category for the contract. An equivalent man-month is defined as the effort equal to that of one

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10. PREPARATION INSTRUCTIONS (Continued)

person for one month. Figures should be reported in whole numbers. (Partial man-months, .5 and above, will be rounded to 1; below .5 to 0.) When mutually agreed by the contractor and the Government, manpower loading may be reported in terms of man-days or man-hours.

10.2.5.1.1 ORGANIZATIONAL OR FUNCTIONAL CATEGORY: List the organizational or functional categories which reflect the contractor's internal management structure in accordance with Contractor/Government agreement. Categories shown should coincide with those shown on Format 2 of the report.

10.2.5.1.2 TOTAL DIRECT: The sum of all direct man-months for the organizational or functional categories shown in Col (1).

10.2.5.2 COL (2) - ACTUAL - CURRENT PERIOD: Enter the actual equivalent man-months incurred during the current reporting period.

10.2.5.3 COL (3) - ACTUAL END OF CURRENT PERIOD (CUM): Enter the actual equivalent man-months incurred to date (cumulative) as of the end of the report period.

10.2.5.4 COLS (4) THROUGH (14) - FORECAST (NONCUMULATIVE): Enter a forecast of manpower requirements by month for a six-month period following the current period and by periodic increment thereafter, such increment to be negotiated with the procuring activity. The forecast will be updated at least quarterly unless a major revision to the plan or schedule has taken place, in which case forecasts will be changed for all periods involved in the report submitted at the end of the month in which the change occurred.

10.2.5.5 COL (15) - FORECAST AT COMPLETION: Enter the estimate of equivalent man-months necessary for the total contract in Col (15) by organizational or functional category. Any significant change in the total number of man-months at completion of the contract (i.e., Col (14) Total) should be explained in Format 5 - Problem Analysis.

10.2.6 FORMAT 5 - PROBLEM ANALYSIS REPORT: The Problem Analysis Report is a narrative report prepared to supplement the other pages of the Cost Performance Report as well as other reports which identify significant problems. The report should be prepared as specified on Format 5.

CLASSIFICATION _____ PAGE _____ OF _____

COST PERFORMANCE REPORT - WORK BREAKDOWN STRUCTURE

CONTRACTOR: LOCATION: RDTSE <input type="checkbox"/> PRODUCTION <input type="checkbox"/>	CONTRACT TYPE	PROGRAM NAME/NUMBER	REPORT PERIOD		SIGNATURE, TITLE & DATE		FORM APPROVED OMB NUMBER 2200200									
			EST COST AUTH. UNPRICED WORK	TGT PROFIT/FEE %	EST PRICE	SHARE RATIO		CONTRACT CEILING	EST CONTRACT CEILING							
QUANTITY	NEGOTIATED COST	EST COST AUTH. UNPRICED WORK	TGT PROFIT/FEE %	EST PRICE	SHARE RATIO	CONTRACT CEILING	EST CONTRACT CEILING									
ITEM	CURRENT PERIOD			CUMULATIVE TO DATE			REPROGRAMMING ADJUSTMENTS		AT COMPLETION							
	BUDGETED COST WORK SCHEDULED	ACTUAL COST WORK PERFORMED	VARIANCE	BUDGETED COST WORK SCHEDULED	ACTUAL COST WORK PERFORMED	VARIANCE	COST VARIANCE	BUDGET	BUDGETED	LATEST REVISED ESTIMATE	VARIANCE					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
<u>WORK BREAKDOWN STRUCTURE</u>																
COST OF MONEY																
GEN AND ADMIN																
UNDISTRIBUTED BUDGET																
SUBTOTAL																
MANAGEMENT RESERVE																
TOTAL																
RECONCILIATION TO CONTRACT BUDGET BASE																
VARIANCE ADJUSTMENT																
TOTAL CONTRACT VARIANCE																

(DOLLARS IN _____) CLASSIFICATION _____ FORMAT 1

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Figure 1

Figure B-20.

COST PERFORMANCE REPORT -- FUNCTIONAL CATEGORIES															
CONTRACTOR:		CONTRACT TYPE/NO.:		PROGRAM NAME/NUMBER		REPORT PERIOD		SIGNATURE, TITLE & DATE				FORM APPROVED		OMB NUMBER	
LOCATION:		NEGOTIATED COST		EST COST AUTH, UNPRICED WORK		TGT PROFIT/FEE %		TGT PRICE		EST PRICE		SHARE RATIO		CONTRACT CEILING	
RO&E		QUANTITY		EST COST AUTH, UNPRICED WORK		TGT PROFIT/FEE %		TGT PRICE		EST PRICE		SHARE RATIO		CONTRACT CEILING	
ORGANIZATIONAL OR FUNCTIONAL CATEGORY	CURRENT PERIOD			CUMULATIVE TO DATE			REPROGRAMMING ADJUSTMENTS			AT COMPLETION					
	BUDGETED COST WORK SCHEDULED (2)	ACTUAL COST WORK PERFORMED (3)	VARIANCE SCHEDULE (4)	BUDGETED COST WORK SCHEDULED (7)	ACTUAL COST WORK PERFORMED (8)	VARIANCE SCHEDULE (9)	COST VARIANCE (12)	BUDGET (13)	BUDGETED (14)	LATEST REVISED ESTIMATE (15)	ESTIMATE (16)	ESTIMATE (16)			
(1)															
COST OF MONEY															
GEN AND ADMIN															
UNDISTRIBUTED BUDGET															
SUBTOTAL															
MANAGEMENT RESERVE															
TOTAL															

Figure 2

Figure B-21.

CLASSIFICATION

COST PERFORMANCE REPORT - BASELINE															
CONTRACTOR: LOCATION: <input type="checkbox"/> ROT&E <input type="checkbox"/>		CONTRACT TYPE/NO.:		PROGRAM NAME/NUMBER		REPORT PERIOD:		FORM APPROVED OMB NUMBER 22R0280							
(1) ORIGINAL CONTRACT TARGET COST	(2) NEGOTIATED CONTRACT CHANGES	(3) CURRENT TARGET COST (1) + (2)	(4) ESTIMATED COST OF AUTHORIZED, UNPRICED WORK	(5) CONTRACT BUDGET BASE (3) + (4)	(6) TOTAL ALLOCATED BUDGET	(7) DIFFERENCE (5) - (6) (SEE PAGE 9)									
(8) CONTRACT START DATE		(9) CONTRACT DEFINITIZATION DATE		(10) LAST ITEM DELIVERY DATE		(11) CONTRACT COMPLETION DATE		(12) ESTIMATED COMPLETION DATE							
ITEM	BCWS CUM TO DATE	BCWS FOR REPORT PERIOD	BUDGETED COST FOR WORK SCHEDULED (NON-CUMULATIVE)						TOTAL BUDGET	UNDRS BUDGET					
			SIX MONTH FORECAST (ENTER SPECIFIED PERIODS)												
			+1	+2	+3	+4	+5	+6							
(1) PM BASELINE (BEGINNING OF PERIOD)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
(LIST BASELINE CHANGES AUTHORIZED DURING REPORT PERIOD)															
PM BASELINE (END OF PERIOD)															
MANAGEMENT RESERVE															
TOTAL															

FORMAT 3

CLASSIFICATION

Figure B-22.

CLASSIFICATION

PAGE _____ OF _____

COST PERFORMANCE REPORT — MANPOWER LOADING

CONTRACTOR: LOCATION: <input type="checkbox"/> ROT&E <input type="checkbox"/> PRODUCTION <input type="checkbox"/>		CONTRACT TYPE/NO.:		PROGRAM NAME/NUMBER:		REPORT PERIOD:		FORM APPROVED OMB NUMBER 2280280						
ORGANIZATIONAL OR FUNCTIONAL CATEGORY	ACTUAL CURRENT PERIOD	ACTUAL END OF CURRENT PERIOD (CUM)	FORECAST (NON-CUMULATIVE)						AT COMPLETION					
			SIX MONTH FORECAST BY MONTH (ENTER NAMES OF MONTHS)			(ENTER SPECIFIED PERIODS)								
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
TOTAL DIRECT														

(ALL FIGURES IN WHOLE NUMBERS)

CLASSIFICATION

Form 4

Figure 4

Figure B-23.

COST PERFORMANCE REPORT — PROBLEM ANALYSIS			
CONTRACTOR: LOCATION <input type="checkbox"/> ROT&E <input type="checkbox"/>	CONTRACT TYPE/NO.: PRODUCTION <input type="checkbox"/>	PROGRAM NAME/NUMBER:	REPORT PERIOD: FORM APPROVED OMB NUMBER 22R0280
<p style="text-align: center;">EVALUATION</p> <p>Section 1 — Total Contract: Provide a summary analysis, identifying significant problems affecting performance. Indicate corrective actions required, including Government action where applicable.</p> <p>Section 2 — Cost and Schedule Variances: Explain all variances which exceed specified variance thresholds. Explanations of variances must clearly identify the nature of the problem, the reasons for cost or schedule variance, impact on the immediate task, impact on the total program, and the corrective action taken. Explanations of cost variances should identify amounts attributable to rate changes separately from amounts applicable to manhours used; amounts attributable to material price changes separately from amounts applicable to material usage; and amounts attributable to overhead rate changes separately from amounts applicable to overhead base changes and amounts applicable to changes in the overhead allocation basis.</p> <p style="padding-left: 20px;">Within this section, the following specific variances must be explained:</p> <ol style="list-style-type: none"> a. Schedule variances (Budgeted Cost for Work Scheduled vs Budgeted Cost for Work Performed) b. Cost variances (Budgeted Cost for Work Performed vs Actual Cost of Work Performed) c. Cost variances at completion (Budgeted at Completion vs Latest Revised Estimate at Completion) <p>Section 3 — Other Analysis: In addition to the variance explanations above, the following analyses are mandatory:</p> <ol style="list-style-type: none"> a. Identify the effort to which the undistributed budget applies. b. Identify the amount of management reserve applied during the reporting period, the WBS and organizational elements to which applied, and the reasons for application. c. Explain reasons for significant shifts in time-phasing of the PM Baseline shown on Format 3. d. Explain significant changes in total man-months at completion shown on Format 4. e. Explain reasons for significant shifts in time-phasing of planned or actual manpower usage shown on Format 4. <p>Section 4 — Over-Target Baseline: If the difference shown in block (7) on Format 3 becomes a negative value or changes in value, provide:</p> <ol style="list-style-type: none"> a. Procuring activity authorization for the baseline change which resulted in negative value or change. b. Reasons for the additional budget in the following terms: <ol style="list-style-type: none"> (1) In-scope engineering changes (2) In-scope support effort changes (3) In-scope schedule changes (4) Economic change (5) Other (specify) c. The amount (by WBS element) for added in-scope effort not previously identified or budgeted. 			

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Figure 5

Figure B-24.

DATA ITEM DESCRIPTION	2. IDENTIFICATION NO(S)	
	AGENCY	NUMBER
1. TITLE CONTRACT FUNDS STATUS REPORT (CFSR)	DOD	DI-F-6004B
3. DESCRIPTION/PURPOSE 3.1 The Contract Funds Status Report (CFSR), DD Form 1586, Figure 1, is designed to supply funding data about Defense contracts to system managers for: (a) updating and forecasting contract fund requirements, (b) planning and decision-making on funding changes in contracts, (c) developing fund requirements and budget estimates in support of approved programs, and (d) determining funds in excess of contract needs and available for deobligation, and (e) obtaining rough estimates of termination costs.	4. APPROVAL DATE 1 November 1979	
	5. OFFICE OF PRIMARY RESPONSIBILITY ASD(C)	
	6. DDC REQUIRED	
	8. APPROVAL LIMITATION	
7. APPLICATION/INTERRELATIONSHIP 7.1 The CFSR is applicable to contracts over \$100,000 in value and 6 months in duration. It is not normally applicable to firm-fixed price contracts (as defined in DAR 3-404.2) except for unpriced portions of such contracts that are estimated to be at least twenty (20) percent of the initial contract value, and except for firm-fixed price contracts which represent a major system acquisition or a major component thereof. 7.2 Contractual Application. ONLY THOSE PARTS OF THE CFSR ESSENTIAL TO THE MANAGEMENT OF EACH ACQUISITION WILL BE REQUIRED. The DoD system manager will determine the need for contract funds information and apply only those portions of the CFSR deemed appropriate. (Continued on pages 2 and 3)	9. REFERENCES (Mandatory as cited in block 10) DAR 3-404.2 DAR 7-104.35 DAR 7-108.3 DAR 7-203.4 DAR 15-205.42 DAR Section III, Part 4 DoD 5000.12M, 1 Mar 70	
	MCSL NUMBER(S) 70934	
10. PREPARATION INSTRUCTIONS 10.1 <u>Specific Instructions</u> 10.1.1 <u>Item 1 - CONTRACT NUMBER.</u> Enter the assigned contract number and the latest modification number on which contractual agreement has been reached. 10.1.2 <u>Item 2 - CONTRACT TYPE*.</u> Enter the type of contract as identified in DAR, Section III, Part 4; e.g., Cost Plus Fixed Fee (CPFF) . Fixed Price Incentive (FPI), etc. 10.1.3 <u>Item 3 - CONTRACT FUNDING FOR*.</u> Enter the applicable type as follows: Multi-Year Procurement (MYP) Incrementally Funded Contract (INC) Contract for a Single Year (SYC) 10.1.3.1 <u>For FY.</u> For contracts which are financed with funds appropriated in more than one fiscal year, a report is required for each fiscal year's funds where the separate year's funds in the contract are associated with specific quantities of hardware or services to be furnished. The fiscal year(s) being reported will be shown in this block and that year's share of the total target prices (initial and adjusted) will be shown in Items 9 and 10. *Items marked with an asterisk (*) have been registered in the DoD Data Element Dictionary. <p style="text-align: right;">(Continued on pages 4 through 10)</p>		

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Figure B-25.

7. APPLICATION/INTERRELATIONSHIP (Continued)

7.2.1 Level of Reporting. If a contract is funded with a single appropriation, a single line entry at the total contract level should be considered for CFSR reporting. Reporting by line item or WBS element will be limited to only those items or elements needed to support funds management requirements and will normally not include items funded for less than \$500,000 or elements below level two of the contract WBS. Contracts which have a dollar value between \$100,000 and \$500,000 will require reporting at the total contract level only.

7.2.2 Multiple Appropriations. Where two or more appropriation sources are used for funding a single contract, contractors will segregate funds data by appropriation accounting reference. The procuring agency will supply the appropriation numbers applicable to individual line items or WBS elements. If a single line item or WBS element is funded by more than one appropriation, methods for segregating and reporting such information will be negotiated and specified in the contract.

7.2.3 Mechanized Data Submissions. Computer products may be substituted for the DD Form 1586 provided all data elements are available in a form suitable for DoD management use. Otherwise data should be submitted in the attached form. Where data are furnished which require mechanized processing, narrative remarks should accompany tapes or cards and identify pertinent items to which they apply, and a listing identifying tape or card data should be included to expedite processing. In the event that more than one procuring agency desires mechanized data processing from a single contractor, the procuring agencies will provide the contractor with a uniform and mutually agreed upon set of data processing instructions.

7.3 Frequency and Submission. The Contract Funds Status Report, DD Form 1586 (Figure 1), will be a contractual requirement as set forth in the DD 1423, Contract Data Requirements List (CDRL) and DD 1660, Management System Summary List. Unless otherwise provided for in the contract, the CFSR will be prepared as of the end of each calendar quarter or contractor accounting period nearest the end of each quarter. The required number of copies of the CFSR will be forwarded to the Administrative Contracting Officer (ACO) within 25 calendar days after the "as of" date of the report, or as otherwise specified in the contract. In the event of exceptional circumstances which call for increased frequency in reporting, such frequency will not be more often than monthly and will be specified in the contract or will be mutually agreed upon.

DI-F-6004B (Continued)

7. APPLICATION/INTERRELATIONSHIP (Continued)

7.4 Explanations of Terms

7.4.1 Open Commitments. For this report, a commitment represents the estimated obligation of the contractor (excluding accrued expenditures) to vendors or subcontractors (based on the assumption that the contract will continue to completion).

7.4.2 Accrued Expenditures. For this report, include recorded or incurred costs as defined within the Allowable Cost, Fee and Payments Clause (DAR 7-203.4) for cost type contracts or the Progress Payments Clause (DAR 7-104.35) for fixed price type contracts, plus the estimated fee or profit earned. Such costs include:

7.4.2.1 Actual payments for services or items purchased directly for the contract.

7.4.2.2 Costs incurred, but not necessarily paid, for storeroom issues, direct labor, direct travel, direct other in-house costs and allocated indirect costs.

7.4.2.3 Progress payments made to subcontractors.

7.4.2.4 Pension costs provided they are paid at least quarterly.

7.4.3 Termination Costs. Although this report is prepared on the basis that the contract will continue to completion, it is necessary to report estimated termination cost by Government fiscal year and generally more frequently on incrementally funded contracts. The frequency will be dependent on the funding need dates (i.e., quarterly) and should be compatible with the contract funding clauses, Limitation of Funds clause (cost type contracts) or Limitation of Obligation clause (fixed price type contracts). Termination costs include such items as loss of useful life of special tooling, special machinery and equipment; rental cost of unexpired leases; and settlement expenses. The definition of termination costs is included in DAR 15-205.42. In the event the Special Termination Costs clause (DAR 7-108.3) is authorized, then costs defined in this clause will be eliminated from the estimated termination costs.

7.5 This Data Item Description (DID) implements requirements of DoD Instruction 7000.10 for contract funds status reporting.

7.6 This DID supersedes DI-F-6004A.

DI-F-6004B (Continued)

10. PREPARATION INSTRUCTIONS (Continued)

10.1.4 Item 4 - APPROPRIATION. Enter the appropriation and Service source in this block.

10.1.5 Item 5 - PREVIOUS REPORT DATE. Enter the cut-off date of the previous report. (Year, Month, Day)

10.1.6 Item 6 - CURRENT REPORT DATE. Enter the cut-off date applicable to this report. (Year, Month, Day)

10.1.7 Item 7 - CONTRACTOR. Enter the name, division (if applicable), and mailing address of the reporting contractor.

10.1.8 Item 8 - PROGRAM. Identify the program (if known) by name or enter the type, model and series or other military designation of the prime item or items purchased on the contract. If the contract is for services or a level-of-effort (research, flight test, etc.), the title of the service should be shown.

10.1.9 Item 9 - INITIAL CONTRACT PRICE. Enter the dollar amounts for the initial negotiated contract target price and contract ceiling price when appropriate. For contracts which are financed with funds appropriated in more than one fiscal year, only the share of the total initial target and ceiling associated with the fiscal year shown in Item 3 will be entered.

10.1.10 Item 10 - ADJUSTED CONTRACT PRICE. Enter the dollar amounts for the adjusted contract target price (initial negotiated contract plus supplemental agreements) and adjusted contract ceiling price or estimated ceiling price where appropriate. For contracts which are financed with funds appropriated in more than one fiscal year, only the share of the total adjusted target and ceiling associated with the fiscal year shown in Item 3 will be entered.

10.1.11 Item 11 - FUNDING INFORMATION

10.1.11.1 Col. a. - LINE ITEM/WORK BREAKDOWN STRUCTURE (WBS) ELEMENT. Enter the line item or WBS elements specified for CFSR coverage in the contract.

10.1.11.2 Col. b. - APPROPRIATION IDENTIFICATION. Enter the appropriation number supplied by the DoD for the contract or, if applicable, each line item or WBS element.

10.1.11.3 Col. c. - FUNDING AUTHORIZED TO DATE. Enter dollar amounts of contract funding authorized under the contract from the beginning through the report date shown in Item 6. This entry should contain funds applicable to the fiscal year(s) shown in Item 3.

Page 4 of 11 Pages

Figure B-28.

DI-F-6004B (Continued)

10. PREPARATION INSTRUCTIONS (Continued)

10.1.11.4 Col. d. - ACCRUED EXPENDITURES PLUS OPEN COMMITMENTS TOTAL. For contract work authorized, enter the total of (a) the cumulative accrued expenditures incurred through the end of the reporting period, and (b) the open commitments on the "as of" date of the report. Enter the total applicable to funds for the fiscal year(s) covered by this report as shown in Item 3.

Note a.: On selected contracts, the separation of open commitments and accrued expenditures by line item or WBS element may be a negotiated requirement in the contract. Utilization of this provision should be held to the minimum essential to support information needs of the procuring agency. In the event this separation of data is not available in the contractor's accounting system or cannot be derived without significant effort, provision should be made to permit use of estimates. The procedures used by the contractor in developing estimates should be explained in the Remarks section of the report.

Note b.: When a Notice of Termination has been issued, potential termination liability costs will be entered in this column. They will be identified to the extent possible with the source of liability (prime or subcontract).

10.1.11.5 Col. e. - CONTRACT WORK AUTHORIZED - DEFINITIZED. For the fiscal year(s) shown in Item 3, enter the estimated price for the authorized work on which contractual agreement has been reached, including profit/fee, incentive and cost sharing associated with projected over/underruns. Amounts for contract changes will not be included in this item unless they have been priced and incorporated in the contract through a supplemental agreement to the contract.

10.1.11.6 Col. f. - CONTRACT WORK AUTHORIZED - NOT DEFINITIZED. Enter the contractor's estimate of the fund requirements for performing required work (e.g., additional agreements or changes) for which firm contract prices have not yet been agreed to in writing by the parties to the contract. Report values only for items for which written orders have been received. For incentive type contracts, show total cost to the Government (recognizing contractor participation). Enter in Narrative Remarks a brief but complete explanation of the reason for the change in funds.

10.1.11.7 Col. g. - SUBTOTAL. Enter the total estimated price for all work authorized on the contract (Col. e. plus Col. f.).

10. PREPARATION INSTRUCTIONS (Continued)

10.1.11.8 Col. h. - FORECAST - NOT YET AUTHORIZED. Enter an estimate of fund requirements, including the estimated amount for fee or profit, for changes proposed by the Government or by the contractor, but not yet directed by the contracting officer. In the Narrative Remarks state each change document number and estimated value of each change.

10.1.11.9 Col. i. - FORECAST - ALL OTHER WORK. Enter an estimate of fund requirements for additional work anticipated to be performed (not included in a firm proposal) which the contractor, based on his knowledge and experience, expects to submit to the Government within a reasonable period of time.

10.1.11.10 Col. j. - SUBTOTAL. Enter an estimate of total requirements for forecast funding (the sum of Col. h. plus Col. i.). Specific limitations on the use of the forecast funding section may be a part of the contract.

10.1.11.11 Col. k. - TOTAL REQUIREMENTS, Enter an estimate of total fund requirements for contract work authorized and forecast (the sum of Col. g. plus Col. j.).

10.1.11.12 Col. l. - FUNDS CARRYOVER. For incrementally funded contracts only, report the amount by which the prior Federal fiscal year funding was in excess of the prior year's requirement. If there is no carryover, report zero. Specific instructions for the use of this item may be made a part of the contract.

10.1.11.13 Col. m. - NET FUNDS REQUIRED. Enter an estimate of net funds required, subtracting funds carryover in Col. l. from total requirements in Col. k.

10.1.11.14 Column Totals. Totals should be provided for Columns c. through m. for all line items or WBS elements reported.

10.1.12 Item 12 - CONTRACT WORK AUTHORIZED (WITH FEE/PROFIT) - ACTUAL OR PROJECTED. Data entries will be as follows: In the first column, actuals cumulative to date; in all other columns except the last, projected cumulative from the start of the contract to the end of the period indicated in the column heading; in the last column, the projected cumulative from the start to the end of the contract.

DI-F-6004B (Continued)

10. PREPARATION INSTRUCTIONS (Continued)

Columns 2 through 10 will be headed to indicate periods covering the life of the contract and may be headed to show months, quarters, half years and/or fiscal years as prescribed by the procuring agency. Projected data should include all planned obligations, anticipated accruals, anticipated over/under targets (total cost to the Government recognizing contractor participation), G&A, and fee/profit.

10.1.12.1 OPEN COMMITMENTS. In the first column enter commitments open as of the date of the report. In subsequent columns enter the projected commitments which will be open as of the end of each period indicated by the column headings. The amount entered will be the projected cumulative commitments less the planned cumulative expenditures as of the end of time period indicated. At the end of the contract, the amount will be zero.

10.1.12.2 ACCRUED EXPENDITURES. In the first column enter actuals to date. In subsequent columns enter the projected cumulative accrued expenditures as of the end of each period indicated by the column headings.

10.1.12.3 TOTAL (12.a. & 12.b.). In the columns provided, enter the total contract work authorized - actuals to date (column 1) or projected (columns 2 through 10). This total is the sum of open commitments and accrued expenditures through the periods indicated by the column headings.

10.1.13 Item 13 - FORECAST OF BILLINGS TO THE GOVERNMENT. In the first column enter the cumulative amount billed to the Government through the current report date, including amounts applicable to progress or advance payments. In succeeding columns enter the amount expected to be billed the Government during each period reported (assuming the contract will continue to completion). Amounts will not be cumulative.

10.1.14 Item 14 - ESTIMATED TERMINATION COSTS. In the columns provided, enter the estimated costs that would be necessary to liquidate all Government obligations if the contract were to be terminated in that period. Applicable fee/profit should be included. These entries may consist of "rough order of magnitude" estimates and will not be construed as providing formal notification having contractual significance. This estimate will be used to assist the Government in budgeting for the potential incurrence of such cost. On contracts with Limitation of Funds/Obligation clauses, where termination costs are included as part of the funding line, enter the amounts required for termination reserve on this line.

Page 7 of 11 Pages

Figure B-31.

10. PREPARATION INSTRUCTIONS (Continued)

10.2 Narrative Remarks

10.2.1 A separate sheet will be used to submit any additional information or remarks which support or explain data submitted in this report. Information on changes, as specified in the next two paragraphs, will also be reported in the remarks section.

10.2.2 General. The contractor will use the Remarks section of the Contract Funds Status Report to submit information regarding changes, as indicated below. A change in a line item will be reported when the dollar amount reported in Item 11, Col. k. of this submission differs from that reported in the preceding submission. The movement of dollar amounts from one column to another (Item 11, Cols. e. through j.), indicating a change in the firmness of fund requirements, need not be reported in this section. Change reporting should include the following:

10.2.2.1 The location of the changed entry (page, line, and column);

10.2.2.2 The dollar amount of the change;

10.2.2.3 The coded identification of the cause (see classification below); and

10.2.2.4 A narrative explanation of the cause of each change.

10.2.3 Change Categories. The contractor will use the categories shown in this paragraph for identifying the reasons for changing fund requirements. The System Manager will assist the contractor in assigning change categories to assure the assignment of the proper category in relation to the total program. These categories identify two basic causes for changes in funds requirements - change in the scope of the contract (identified simply as "Scope" changes) and changes in the price with no change in the scope ("Price" changes). Categories will be used as shown unless the contractor is advised of specific alternatives through contractual channels. While the general intent in providing categories for use is that one category will describe one change, it is recognized that more than one category may be required in selected cases of changes in estimates of fund requirements. In such cases reporting contractors should identify changes using more than one change category and utilize the Remarks section to describe the circumstances of overlap or duplication. The reasons for change are broken down as follows:

DI-F-6004B (Continued)

10. PREPARATION INSTRUCTIONS (Continued)

10.2.3.1 "Scope" Changes. There are four categories for this class of reasons for change in estimates. Report Total Funds Requirements changes (Item 11, Col. k.) due to:

10.2.3.1.1 Engineering Change*. An alteration in the physical or functional characteristics of a system or item delivered, to be delivered, or under development, after establishment of such characteristics. Specific changes must be separately identified and quantified. Code A1.

10.2.3.1.2 Quantity Change*. A change in quantity to be procured, the cost of which is computed using the original cost-quantity relationships, thereby excluding that portion of the current price attributable to changes in any other category. Code A2.

10.2.3.1.3 Support Change*. A change in support item requirements (e.g., spare parts, training, ancillary equipment, warranty provisions, Government-furnished property/equipment, etc.). Code A3.

10.2.3.1.4 Schedule Change*. A change in a delivery schedule, completion date or intermediate milestone. Each change must separately be identified as Government responsibility or contractor responsibility and quantified as to amount. Code A4.

10.2.3.2 Price Changes. There are three categories for this class. Report Total Funds Requirements changes (Item 11, Col. k.) due to:

10.2.3.2.1 Economic Change*. A change due to the operation of one or more factors of the economy. This includes specific contract changes related to economic escalation and the economic impact portion of quantity changes not accounted for by the original cost-quantity relationships used to calculate quantity change variance. This category also includes changing constant or current dollar amounts in program estimates to reflect (1) altered price levels, or (2) definitized contract amounts. Code B2.

10.2.3.2.2 Estimating Change*. A change in cost due to correction of error or refinements of the base estimate. These include mathematical or other errors in estimating, revised estimating relationships, etc. Excluded from this category should be revisions of cost estimates that occur because of other change categories, i.e., engineering, support, schedule, etc. For example, a cost change which occurs because of the addition of a new warhead is an engineering

DI-F-6004B (Continued)

10. PREPARATION INSTRUCTIONS (Continued)

change, and not an estimating change; a revised production schedule is a schedule change, not an estimating change. Code B3.

10.2.3.2.3. Other Changes*. A change in contractual amount for reasons not provided for in other change categories. The reason for the change should be stated. Code B4.

10.3 General note for ADP personnel processing this report:

10.3.1 Coding must be as indicated in the instructions. In cases where specific coding instructions are not provided, reference must be made to the Department of Defense Manual for Standard Data Elements, DoD 5000.12M. Failure to comply with either the coding instructions contained herein or those published in referenced manual will make the noncomplier responsible for required concessions in data base communication.

CONTRACT FUNDS STATUS REPORT (DOLLARS IN _____)											FORM APPROVED OMB NUMBER 22-RO180	
1. CONTRACT NUMBER		3. CONTRACT FUNDING FOR FOR FY		5. PREVIOUS REPORT DATE		7. CONTRACTOR (Name, Address and ZIP Code)		9. INITIAL CONTRACT PRICE TARGET CEILING		10. ADJUSTED CONTRACT PRICE TARGET CEILING		
2. CONTRACT TYPE		4. APPROPRIATION		6. CURRENT REPORT DATE		8. PROGRAM						
11. FUNDING INFORMATION												
LINE ITEM/WBS ELEMENT a	APPROPRIATION IDENTIFICATION b	FUNDING AUTHORIZED TO DATE c	ACCRUED EXPENDITURES PLUS OPEN COMMITMENTS TOTAL d	CONTRACT WORK AUTHORIZED			FORECAST			TOTAL REQUIRE- MENTS h	FUNDS CARRY- OVER i	NET FUNDS REQUIRED j
				NOT DEFINITIZED e	NOT DEFINITIZED f	SUBTOTAL g	NOT YET AUTHORIZED h	ALL OTHER WORK i	SUBTOTAL j			
12. CONTRACT WORK AUTHORIZED (WITH FEE/PROFIT) - ACTUAL OR PROJECTED											ACTUAL TO DATE	AT COMPLETION
a. OPEN COMMITMENTS												
b. ACCRUED EXPENDITURES												
c. TOTAL (12a + 12b)												
13. FORECAST OF BILLINGS TO THE GOVERNMENT												
14. ESTIMATED TERMINATION COSTS												
REMARKS												

Figure 1

Figure B-35.

Dec 3, 79
7000.10 (Encl 4)

DATA ITEM DESCRIPTION		2. IDENTIFICATION NO(S).	
1. TITLE		AGENCY	NUMBER
3.1 This report is prepared by contractors and provides summarized cost and schedule performance information for program management purposes.		OSD	DI-F-6010A
7.1 The Cost/Schedule Status Report (C/SSR), Figure 1, is applicable to contracts of \$2,000,000 or over and 12 months' duration or more which do not use the Cost Performance Report (DI-F-6000). It will be established as a contractual requirement as set forth in the Contract Data Requirements List, DD Form 1423, and Management System Summary List, DD Form 1660. 7.2 Data reported on the C/SSR will pertain to all authorized contract work, including both priced and unpriced effort. Data reported will be limited to level 3 of the contract work breakdown structure or higher. However, if a problem area is indicated at a lower level, more detailed data will be provided on an exception basis until the problem is resolved. (Continued on page 2)		4. APPROVAL DATE 1 November 1979	
		5. OFFICE OF PRIMARY RESPONSIBILITY ASD(C)	
		6. DDC REQUIRED	
		8. APPROVAL LIMITATION	
10.1 Unless otherwise stated in the solicitation, the effective issue of the document(s) cited in the referenced document(s) in this block shall be that listed in the issue of the DoD Index of Specifications and Standards (reference DoD 4120.3M) and the supplements thereto specified in the solicitation and will form a part of this data item description to the extent defined within. 10.2 <u>Heading Information</u> 10.2.1 <u>CONTRACTOR</u> : Enter the name and division (if applicable) of the reporting contractor. 10.2.2 <u>LOCATION</u> : Enter the plant location and mailing address. 10.2.3 <u>RDT&E</u> <input type="checkbox"/> <u>PRODUCTION</u> <input type="checkbox"/> : Check appropriate box. Separate reports are required for each type of contract. 10.2.4 <u>CONTRACT TYPE AND NUMBER</u> : Enter the contract type, contract number and the number of the latest contract change order or supplemental agreement applicable to the contract. 10.2.5 <u>PROGRAM NAME/NUMBER</u> : Enter the name, number, acronym and/or the type, model and series, or other designation of the prime items purchased under the contract. (Continued on pages 2 through 5)		9. REFERENCES (Mandatory as cited in block 10) DoD 4120.3M, Aug 78 MIL STD 881A, 25 Apr 75 DoDI 7000.2, 10 Jun 77	
		MCBL NUMBER(S) 71559	

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Figure B-37.

DI-F-6010A (Continued)

7. APPLICATION/INTERRELATIONSHIP (Continued)

7.3 Frequency of reporting will be specified in the contract but will not exceed a monthly requirement. Reports will be submitted to the procurement activity no later than 25 calendar days following the reporting cut-off date. Reports may reflect data as of the end of the calendar month or as of the contractor's accounting period cut-off date.

7.4 The definitions of terms contained in the Cost/Schedule Control Systems Criteria (C/SCSC) of DoD Instruction 7000.2, "Performance Measurement for Selected Acquisitions," may be used as guidance in completing Columns (2) through (9) of the C/SSR with the exception of the definitions for Budgeted Cost for Work Scheduled and Budgeted Cost for Work Performed (see paragraphs 10.4.2 and 10.4.3, below). However, application of the C/SSR does not in any way invoke unique requirements or disciplines of the C/SCSC, such as applied direct costs or use of work packages for determining Budgeted Cost for Work Performed, unless these methods constitute the contractor's normal way of doing business. The derivation of Budgeted Cost for Work Performed to satisfy C/SSR requirements will be left to the discretion of the reporting contractor and subject to negotiation and inclusion as a part of the contract. While the contractor must be in a position to explain the method used for determining Budgeted Cost for Work Performed, the in-depth demonstration review referred to in DoD Instruction 7000.2 is not a requirement of C/SSR. If compliance with C/SCSC is required, the provisions of DAR 3-501 and 7-104.87 must be used.

7.5 The variance thresholds which, if exceeded, require problem analysis and narrative explanations, will be as specified in the contract or as otherwise mutually agreed to by the contracting parties.

7.6 This Data Item Description supersedes DI-F-6010.

10. PREPARATION INSTRUCTIONS (Continued)

10.2.6 REPORT PERIOD: Enter the beginning and ending dates of the period covered by the report.

10.2.7 SIGNATURE, TITLE AND DATE: The contractor's authorized representative will sign the report and enter his title and the date of signature.

10.3 Contract Data:

10.3.1 Item (1) - ORIGINAL CONTRACT TARGET COST: Enter the dollar value (excluding fee or profit) negotiated in the original contract. For a

Page 2 of 6 Pages

Figure B-38.

DI-F-6010A (Continued)

10. PREPARATION INSTRUCTIONS (Continued)

cost plus fixed-fee contract, enter the estimated cost negotiated. For an incentive contract, enter the definitized contract target cost.

10.3.2 Item (2) - NEGOTIATED CONTRACT CHANGES: Enter the cumulative cost (excluding fee or profit) applicable to definitized contract changes which have occurred since the beginning of the contract.

10.3.3 Item (3) - CURRENT TARGET COST: Enter the sum of Items (1) and (2). The amount shown should equal the current dollar value (excluding fee or profit) on which contractual agreement has been reached.

10.3.4 Item (4) - ESTIMATED COST OF AUTHORIZED, UNPRICED WORK: Enter the estimated cost (excluding fee or profit) for contract changes for which written authorization has been received but for which contract prices have not been negotiated.

10.3.5 Item (5) - CONTRACT BUDGET BASE: Enter the sum of Items (3) and (4).

10.4 Performance Data:

10.4.1 Col. (1) - WORK BREAKDOWN STRUCTURE: Enter the noun description of the work breakdown structure (WBS) elements for which cost information is being reported. WBS elements or levels required will be those specified in the contract.

10.4.2 Col. (2) - BUDGETED COST - WORK SCHEDULED: Enter the numerical representation of the value of all work scheduled to be accomplished as of the reporting cut-off date.

10.4.3 Col. (3) - BUDGETED COST - WORK PERFORMED: Enter the numerical representation of the value of all work accomplished as of the reporting cut-off date.

NOTE: Specific methods used to derive the Budgeted Cost for Work Scheduled and the Budgeted Cost for Work Performed will be delineated in the proposal and explained on the initial report. If methods used should change during the contract, explain the new method and the reason for the change in procedure.

10.4.4 Col. (4) - ACTUAL COST WORK PERFORMED: Enter the cumulative actual costs (direct and indirect) applicable to work accomplished as of the reporting cut-off date. Actual costs and budgeted costs will be reported on a comparable basis.

10. PREPARATION INSTRUCTIONS (Continued)

10.4.5 Col. (5) - SCHEDULE VARIANCE: Enter the difference between the Budgeted Cost for Work Scheduled and the Budgeted Cost for Work Performed by subtracting Col. (2) from Col. (3). A negative figure indicates an unfavorable variance and should be shown in parentheses. Variances exceeding established thresholds must be fully explained.

10.4.6 Col. (6) - COST VARIANCE: Enter the difference between the Budgeted Cost for Work Performed and the Actual Cost for Work Performed by subtracting Col. (4) from Col. (3). A negative figure indicates an unfavorable variance and should be shown in parentheses. Variances exceeding established thresholds must be fully explained.

10.4.7 Col. (7) - AT COMPLETION - BUDGETED: Enter the total budget identified to each WBS element listed in Col. (1). Assigned budgets will consist of the original budgets plus or minus budget adjustments resulting from contract changes, internal replanning, and application of management reserves.

10.4.8 Col. (8) - AT COMPLETION - LATEST REVISED ESTIMATE: Enter the latest revised estimate of cost at completion including estimated overrun/underrun for all authorized work. The estimated cost at completion consists of the sum of the actual cost to date plus the latest estimate of cost for work remaining.

10.4.9 Col. (9) - AT COMPLETION - VARIANCE: Enter the difference between the Budgeted Cost at Completion, Col. (7), and the Estimated Cost at Completion, Col. (8), by subtracting Col. (8) from Col. (7). A negative figure indicates an unfavorable variance and should be shown in parentheses. Variances exceeding established thresholds must be fully explained.

10.4.10 GENERAL AND ADMINISTRATIVE (G&A): Enter in Columns (2) through (9) the appropriate G&A costs. If G&A has been included in the costs reported above, G&A will be shown as a non-add entry on this line with an appropriate notation. If a G&A classification is not used, no entry will be made other than an appropriate notation to that effect.

10.4.11 UNDISTRIBUTED BUDGET: Enter in Cols. (7) and (8) the amount of budget applicable to authorized contract effort which has not been identified to WBS elements at or below the reporting level. All undistributed budget will be fully explained.

10.4.12 MANAGEMENT RESERVE: Enter in Col. (7) the amount of budget identified as management reserve as of the end of the reporting period. Enter in Col. (8) the amount of management reserve expected to be consumed before the end of the contract. Enter in Col. (9) the difference

DI-F-6010A (Continued)

10. PREPARATION INSTRUCTIONS (Continued)

between Cols. (7) and (8). Amounts of management reserve applied during the reporting period and the rationale for the figure in Col. (8) will be explained in the Narrative Analysis. (The entry in Col. (8) is discretionary and may be zero if the contractor does not wish to make an estimate.) Application of management reserve during the reporting period will be explained in terms of amounts applied, WBS elements to which applied, and reasons for application.

10.4.13 TOTAL: Enter the sum of the direct, indirect and G&A budgets and costs in Cols. (2) through (9). In Cols. (7), (8) and (9), also add the Undistributed Budget and Management Reserve.

10.5 Narrative Explanations:

10.5.1 Provide a summary analysis of overall contract performance, including significant existing or potential problems and identify corrective actions taken or required, including Government action where required.

10.5.2 Explanations of significant variances must be explicit and comprehensive. They must clearly identify the nature of the problems being experienced, the impact on the total contract, and the corrective actions taken or required.

10.5.3 Normally, the amount shown on the Total line in Col. (7), Budgeted at Completion, will equal the amount shown in Item (5), Contract Budget Base. This relationship is necessary to insure that the Budgeted Cost for Work Scheduled and the Budgeted Cost for Work Performed provide meaningful indicators of contractual progress. Therefore, if the amount shown on the Total line in Col. (7), Budgeted at Completion, exceeds the amount shown in Item (5), Contract Budget Base, fully explain the reasons for the additional budget allocation and identify by WBS element the specific amounts added to each element.

CONTRACTOR:		COST/SCHEDULE STATUS REPORT		SIGNATURE, TITLE & DATE		FORM APPROVED ONS NUMBER ZZR327									
LOCATION:		PROGRAM NAME/NUMBER		REPORT PERIOD:											
ROUTE <input type="checkbox"/>		CONTRACT TYPE/NO.													
PRODUCTION <input type="checkbox"/>															
(1) ORIGINAL CONTRACT TARGET COST		(2) NEGOTIATED CONTRACT CHARGES		(3) CURRENT TARGET COST (1) + (2)		(4) ESTIMATED COST OF AUTHORIZED UNPRICED WORK									
						(5) CONTRACT BUDGET BASE (3) + (4)									
Performance Data															
WORK BREAKDOWN STRUCTURE				CUMULATIVE TO DATE				AT COMPLETION							
				BUDGETED COST		ACTUAL COST WORK PERFORMED		VARIANCE		BUDGETED		LATEST REVISED ESTIMATE		VARIANCE	
		Work Scheduled		Work Performed				Schedule		Cost					
(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)	
GENERAL AND ADMINISTRATIVE															
UNDISTRIBUTED BUDGET															
MANAGEMENT RESERVE															
TOTAL															

Figure 1

Figure B-42.



Department of Defense INSTRUCTION

March 27, 1984
NUMBER 7000.11

SUBJECT: Contractor Cost Data Reporting

ASD(C)/PA&E

- References:**
- (a) DoD Instruction 7000.11, "Contractor Cost Data Reporting (CCDR)," September 5, 1973 (hereby canceled)
 - (b) "Contractor Cost Data Reporting System," AMCP 715-8, NAVMAT-5241, AFSCP/AFLCP 800-15, November 5, 1973
 - (c) DoD Directive 5000.1, "Major System Acquisitions," March 29, 1982
 - (d) DoD Directive 5000.4, "OSD Cost Analysis Improvement Group," October 30, 1980
 - (e) through (h), see enclosure 1

A. REISSUANCE AND PURPOSE

1. This Instruction reissues reference (a) to update policy, procedures, and responsibilities for collecting projected and actual cost data on acquisition programs from contractors and government facilities through a single integrated system for DoD cost analysis and procurement management purposes.

2. Data from this system assist the Department of Defense in preparing cost estimates for acquisition programs reviewed by the Defense Systems Acquisition Review Council (DSARC); in developing independent government cost estimates in support of cost-effectiveness studies, budgeting to most likely costs, and contract negotiations; and in tracking actual versus contractor negotiated costs.

B. APPLICABILITY AND SCOPE

1. This Instruction applies to the Office of the Secretary of Defense (OSD), the Military Departments, and the Defense Agencies (hereafter referred to collectively as "DoD Components") having acquisition programs covered by the criteria established herein.

2. As used herein, the term "contractor" refers both to industrial contractors and government facilities.

C. POLICY

It is DoD policy that projected and actual costs and related data shall be reported on selected contracts within acquisition programs through the Contractor Cost Data Reporting (CCDR) System (reference (b)). CCDR coverage shall be in accordance with the procedures described herein from the point of commitment to full-scale development through the completion of production (reference (c)). CCDR also shall be required on large advanced development prototype programs.

Figure C-1.

D. PROCEDURES

1. The CCDR Plan and CCDR forms (DD Forms 1921 series) ("Contractor Cost Data Reporting System," reference (b)) shall be used as the basis for contractor responses in applicable Requests for Proposals (RFPs) and resulting contracts meeting the CCDR criteria in subsection D.2., below. CCDR also shall be included in equivalent documents when the supplier is a government facility.

2. For purposes of CCDR, two categories of procedures are established. Category I procedures apply to all acquisition programs that are designated as major system acquisitions by the Secretary of Defense or that are estimated to require an eventual total research, development, test, and evaluation expenditure of more than \$200 million in constant fiscal year (FY) 1980 dollars or an eventual total procurement expenditure of more than \$1 billion in constant FY 1980 dollars. Category II procedures apply to selected contracts or to specific line items within Category I requirements; generally, the data will not be required on contracts below \$2 million.

3. All aircraft, electronic, missile, ordnance, ship, space, and surface vehicle acquisition programs and their related components that meet the criteria of Category I, above, shall be covered by CCDR requirements unless specifically waived by the OSD Cost Analysis Improvement Group (CAIG) (DoD Directive 5000.4, reference (d)).

a. Acquisition programs not meeting Category I criteria may be covered by Category I procedures (including appropriate review and approval procedures) at the discretion of the DoD Component concerned or the OSD CAIG.

b. Other acquisition programs not covered by Category I procedures may collect cost data using the Category II procedures described herein at the discretion of the DoD Component concerned. This determination shall consider contract type, complexity, or criticality of the item as it pertains to the overall structure of the national defense, future procurement plans, contract value, and the need for a historical data base to support cost analysis and procurement management objectives.

4. For Category I acquisition programs, the identification of prime contractors and subcontractors who are required to report shall be determined during the CCDR Plan review process. Selection of reporting subcontractors shall be limited to high-cost and technological high-risk elements of the contract.

5. Unless waived by the OSD CAIG, reporting shall be required on firm fixed-price prime contracts or subcontracts when those contracts represent a major share of the research and development (R&D) or production of a Category I acquisition program or component thereof. CCDR generally will not be required on firm fixed-price Category II contracts.

6. CCDR procedures, including instructions for the preparation and submission of the forms, are specified in the CCDR System ("Contractor Cost Data Reporting System," reference (b)) and shall be adhered to by all DoD Components.

E. INFORMATION REQUIREMENTS

1. The reporting requirements are contained in the following four CCDR forms: Cost Data Summary Report (DD Form 1921), summarizing by work breakdown structure (WBS) element all activities on a contract or proposal; Functional Cost-Hour Report (DD Form 1921-1), providing cost element breakout for selected WBS elements reported on DD Form 1921; Progress Curve Report (DD Form 1921-2), providing unit data or average unit of a lot data for selected hardware WBS elements of the contract; and Plant-Wide Data Report (DD Form 1921-3), summarizing the business base, the indirect expenses, rates, and employment, and the direct labor rates and employment. These forms (see enclosures 2 through 5) are approved by the Office of Management and Budget (OMB) (OMB No. 0704-0062). A Data Item Description (DD Form 1664) for each CCDR form is contained in reference (b).

2. For acquisition programs falling under the criteria of Category I procedures, the DoD Component concerned shall prepare and forward the proposed CCDR Plan, in accordance with Chapter 2-4, page 2-2, of reference (b) to the Chairman, OSD CAIG, at least 60 days before issuance of its RFP to industry for large advanced development prototype or full-scale development programs.

a. The WBS used in preparing the CCDR Plan shall be in conformance with MIL-STD 881A (reference (e)). This standardization is necessary to achieve comparable data among similar weapon systems to improve DoD's estimating capability. Expansion by the Military Departments for visibility on certain WBS elements shall be at level 3 or below of the structure established by reference (e). Except for high-cost or high-risk elements, the normal level of reporting detail required shall be limited to level 3 of the contract work breakdown structure (CWBS).

b. The proposed reporting contractors shall be identified by name or area of responsibility (for example, airframe prime contractor).

c. For Category I reporting, the following CCDR forms normally shall be used:

(1) DD Forms 1921 and 1921-1 shall be used in contractor responses to RFPs (Defense Acquisition Regulation, reference (f)).

(2) DD Forms 1921, 1921-1, and 1921-2 shall be used to provide actuals and estimates to complete each R&D and production contract.

(3) DD Forms 1921 and 1921-1 shall be used to provide cost projections by FY buy to complete the production program.

(4) DD Form 1921-3 shall be used to provide plantwide data; if the data already are being furnished on another contract within an applicable contractor facility, copies of that DD Form 1921-3 satisfy the requirement.

Figure C-3.

d. Reporting frequency for recurring reports shall be specified in the CCDR Plan. Generally:

(1) Reports for Category I contracts shall be submitted semi-annually for R&D and the first several production years; frequency may be reduced to annually thereafter. Reporting frequencies may be adjusted during the CCDR Plan review procedures. Contract type and contract value shall be determining factors in the DoD Component decision prescribing frequency.

(2) Cost projections may be specified (a) for source selections, (b) annually, or (c) as required during the life of the program (for example, for updated program estimates to support a scheduled DSARC review).

3. The OSD CAIG shall have 15 working days from receipt of the CCDR Plan to issue a concurrence or to provide its recommended changes. Whenever a DoD Component proposes a revision to a Category I CCDR Plan, the OSD CAIG shall be notified. For minor changes the notification can be in the form of an information copy of the CCDR Plan. Major changes shall require formal resubmittal of the CCDR Plan.

4. For acquisitions covered under Category II procedures, DoD Components shall ensure that implementation plans are reviewed and approved in time for the data requirements to be included in the RFP for the contract on which they will be implemented. The review of the plans for implementing Category II requirements shall be the responsibility of the procuring materiel command headquarters. This review shall ensure data requirements are not excessive to actual needs and are consistent and comparable for similar types of weapon systems.

a. For Category II reporting, normally only DD Forms 1921-1 and 1921-2 shall be used; however, when the financing for a Category II contract is substantial enough to require the application of a WBS in accordance with MIL-STD 881A (reference (e)), DD Form 1921 may be used at the discretion of the contracting DoD Component.

b. Reports for Category II contracts normally shall be submitted at contract completion.

c. DD Form 1921-3 normally will not be required for Category II contracts.

5. Contractually, each CCDR form shall be identified as a single line entry on the DD Form 1423, Contract Data Requirements List (CDRL), with the detailed requirements listed in the respective DD Form 1664.

6. CCDR reports shall be submitted and distributed as follows:

a. The winning contractor's completed CCDR forms in response to the RFP on Category I programs shall be forwarded to the OSD CAIG following the completion of source selection (but no later than 90 days after contract award) consistent with DoD Directive 4105.62 (reference (g)).

b. On contracts requiring submittal of CCDR reports, the reports shall be submitted by the contractor or government facility within 45 days

after the end of the reporting period as specified in the CCDR Plan. When subcontractors report to the prime contractor, the prime contractor shall be given an additional 15 days to consolidate the appropriate reports.

c. For Category I programs, CCDR reports shall be due in the Office of the Director, Program Analysis and Evaluation, the Pentagon, Washington, D.C. 20301, the executive agent of the OSD CAIG, 2 weeks after the contractor submittal due date. Category II reports shall be forwarded to the OSD CAIG only upon its request.

d. Other DoD Components desiring copies of CCDR reports on a specific acquisition or contract shall notify the appropriate Military Department procuring materiel command headquarters. Requests from other federal agencies for CCDR information shall be processed through the OSD CAIG. If a DoD Component has compelling reasons for not making CCDR information available to other federal agencies, it promptly shall refer the matter to the OSD CAIG for resolution.

e. Reports prepared by DoD Components on the accuracy or validity of CCDR information shall be forwarded promptly to all offices receiving the completed reports on which the evaluation was made. This does not include audit reviews discussed in subsections E.8. and E.9., below. Requests from higher headquarters for clarification of information in the CCDR reports shall be addressed to the appropriate materiel command.

f. Each materiel command shall be responsible for storing and distributing copies of the CCDR reports.

7. Each DoD Component shall designate an official who shall ensure that DoD Component policies and procedures are established for the implementation of CCDR in accordance with this Instruction, including the storage of CCDR data and their distribution to appropriate DoD officials. This official also shall ensure that all Category I CCDR Plans (including any changes thereto) are forwarded to the OSD CAIG and shall advise the OSD CAIG annually of the status of all acquisition programs for which CCDR Plans currently are approved for implementation, of delinquencies and deficiencies in CCDR reporting, and of the actions being taken to correct these delinquencies and deficiencies. The designated official (by title) and the CCDR storage locations shall be provided to the OSD CAIG within 30 days of the effective date of this Instruction.

8. Requirements for field reviews of contractor implementation of CCDR shall be made annually and, when needed, an audit report shall be requested through the responsible administrative contracting officer (ACO).

9. Audit reviews of CCDR data shall be performed by the Defense Contract Audit Agency in accordance with the Defense Contract Audit Manual (reference (h)). Such reviews shall consist of (a) an evaluation of the effectiveness of the contractor's policies and procedures to produce data compatible with the objectives of this Instruction and the Contractor Cost Data Reporting (CCDR) System (reference (b)) and (b) selective tests of the reported data. Any exceptions shall be included with appropriate comment in the audit reports that shall be issued to the responsible ACO, with a copy to the OSD CAIG and to the designated DoD Component official responsible for CCDR.

F. RESPONSIBILITIES

1. The Chairman, OSD Cost Analysis Improvement Group, consistent with DoD Directive 5000.4 (reference (d)), shall establish policy guidance pertaining to the CCDR System and shall monitor its implementation to ensure consistent and appropriate application throughout the Department of Defense.

2. The Heads of DoD Components shall administer and implement the CCDR System. This responsibility shall include ensuring that an appropriate official is designated within each DoD Component to monitor the application of the CCDR System (see subsection E.7., above).

G. EFFECTIVE DATE AND IMPLEMENTATION

This Instruction is effective immediately. Forward two copies of the implementing documents both to the Assistant Secretary of Defense (Comptroller) and to the Director, Program Analysis and Evaluation, within 120 days.



Vincent Puritano
Assistant Secretary of Defense
(Comptroller)



David S.C. Chu
Director
Program Analysis and Evaluation

Enclosures - 5

1. References
2. DD Form 1921, Cost Data Summary Report
3. DD Form 1921-1, Functional Cost-Hour Report
4. DD Form 1921-2, Progress Curve Report
5. DD Form 1921-3, Plant-Wide Data Report

REFERENCES (Continued)

- (e) Military Standard 881A, "Work Breakdown Structures for Defense Materiel Items," April 25, 1975
- (f) Defense Acquisition Regulation (DAR), Part 16-206.1(c), "Contract Pricing Proposal Forms"
- (g) DoD Directive 4105.62, "Selection of Contractual Sources for Major Defense Systems," January 6, 1976
- (h) Defense Contract Audit Manual (CAM), "Audit Procedures--DoD Resource Management Systems," Paragraph 9-108.10¹

¹ Available from the Defense Contract Audit Agency, Cameron Station, Alexandria, Virginia 22314.

Form Approved
OMB No. 0704-0062
Exp Date: December 31, 1985

SECURITY CLASSIFICATION		FUNCTIONAL COST-HOUR REPORT		1. PROGRAM		2. REPORT AS OF			
SECTION A	3. DOLLARS IN	4. HOURS IN	5. <input type="checkbox"/> CONTRACT / <input type="checkbox"/> RFP NO. <input type="checkbox"/> PROGRAM ESTIMATE						
	6. <input type="checkbox"/> NON-RECURRING <input type="checkbox"/> RECURRING <input type="checkbox"/> TOTAL		7. <input type="checkbox"/> RDT&E <input type="checkbox"/> PROCUREMENT <input type="checkbox"/> OTHER						
	8. MULTIPLE YEAR CONTRACT <input type="checkbox"/> YES <input type="checkbox"/> NO		10. <input type="checkbox"/> PRIME/ASSOCIATE <input type="checkbox"/> SUBCONTRACTOR <i>(Name and address; include ZIP Code)</i>		11. NAME OF CUSTOMER <i>(Subcontractor Use Only)</i>				
9. FY FUNDED		12. REPORTING ELEMENT(S)							
SECTION B	FUNCTIONAL CATEGORIES		ADJUST- MENTS TO PREVIOUS REPORTS A	CONTRACTOR		SUBCONTRACT OR OUT- SIDE PROD AND SERV		TOTAL	
				TO DATE B	AT COMPL. C	TO DATE D	AT COMPL. E	TO DATE F	AT COMPL. G
	ENGINEERING								
	1. DIRECT LABOR HOURS								
	2. DIRECT LABOR DOLLARS		\$	\$	\$	\$	\$	\$	\$
	3. OVERHEAD		\$	\$	\$	\$	\$	\$	\$
	4. MATERIAL		\$	\$	\$	\$	\$	\$	\$
	5. OTHER DIRECT CHARGES <i>(Specify)</i>		\$	\$	\$	\$	\$	\$	\$
	6. TOTAL ENGINEERING DOLLARS		\$	\$	\$	\$	\$	\$	\$
	TOOLING								
	7. DIRECT LABOR HOURS								
	8. DIRECT LABOR DOLLARS		\$	\$	\$	\$	\$	\$	\$
	9. OVERHEAD		\$	\$	\$	\$	\$	\$	\$
	10. MATERIALS AND PURCHASED TOOLS		\$	\$	\$	\$	\$	\$	\$
	11. OTHER DIRECT CHARGES <i>(Specify)</i>		\$	\$	\$	\$	\$	\$	\$
	12. TOTAL TOOLING DOLLARS		\$	\$	\$	\$	\$	\$	\$
	QUALITY CONTROL								
	13. DIRECT LABOR HOURS								
	14. DIRECT LABOR DOLLARS		\$	\$	\$	\$	\$	\$	\$
	15. OVERHEAD		\$	\$	\$	\$	\$	\$	\$
	16. OTHER DIRECT CHARGES <i>(Specify)</i>		\$	\$	\$	\$	\$	\$	\$
	17. TOTAL QUALITY CONTROL DOLLARS		\$	\$	\$	\$	\$	\$	\$
	MANUFACTURING								
	18. DIRECT LABOR HOURS								
	19. DIRECT LABOR DOLLARS		\$	\$	\$	\$	\$	\$	\$
	20. OVERHEAD		\$	\$	\$	\$	\$	\$	\$
	21. MATERIALS AND PURCHASED PARTS		\$	\$	\$	\$	\$	\$	\$
	22. OTHER DIRECT CHARGES <i>(Specify)</i>		\$	\$	\$	\$	\$	\$	\$
	23. TOTAL MANUFACTURING DOLLARS		\$	\$	\$	\$	\$	\$	\$
	24. PURCHASED EQUIPMENT		\$	\$	\$	\$	\$	\$	\$
	25. MATERIAL OVERHEAD		\$	\$	\$	\$	\$	\$	\$
26. OTHER COSTS NOT SHOWN ELSEWHERE <i>(Specify)</i>		\$	\$	\$	\$	\$	\$	\$	
27. TOTAL COST LESS G & A		\$	\$	\$	\$	\$	\$	\$	
28. G & A		\$	\$	\$	\$	\$	\$	\$	
29. TOTAL COST PLUS G & A		\$	\$	\$	\$	\$	\$	\$	
30. FEE OR PROFIT		\$	\$	\$	\$	\$	\$	\$	
31. TOTAL OF LINES 29 AND 30		\$	\$	\$	\$	\$	\$	\$	
SECTION C	DIRECT LABOR MAN-HOURS INCURRED THIS REPORT PERIOD								
		ENGINEERING A	TOOLING B	QUALITY CONTROL C	MANUFACTURING D				
	1	TOTAL BEGINNING OF REPORT PERIOD							
	2								
	3								
	4								
5									
6	TOTAL END OF REPORT PERIOD								
FORM CONTINUED ON REVERSE									

DD Form 1921-1, 84 JAN

Previous editions are obsolete

Figure C-11.

PLANT-WIDE LABOR AND OVERHEAD INFORMATION																				
SECTION	1. DIRECT LABOR					2. PLTWIDE OH					1. DIRECT LABOR					2. PLTWIDE OH				
	WORK	BASIC	EFF	IND	RATE	WORK	BASIC	EFF	IND	RATE	WORK	BASIC	EFF	IND	RATE	WORK	BASIC	EFF	IND	RATE
	A	B	C	D	E	F	G	H	I	K	L	M	N	P	Q	L	M	N	P	Q
1. ENGINEERING																				
2. TOOLING																				
A. DESIGN																				
B. FABRICATION																				
3. QUALITY CONTROL																				
4. MANUFACTURING																				
5. MATERIAL																				
6. G & A																				
SECTION	1. DIRECT LABOR					2. PLTWIDE OH					1. DIRECT LABOR					2. PLTWIDE OH				
	WORK	BASIC	EFF	IND	RATE	WORK	BASIC	EFF	IND	RATE	WORK	BASIC	EFF	IND	RATE	WORK	BASIC	EFF	IND	RATE
	A	B	C	D	E	F	G	H	I	K	L	M	N	P	Q	L	M	N	P	Q
1. ENGINEERING																				
2. TOOLING																				
A. DESIGN																				
B. FABRICATION																				
3. QUALITY CONTROL																				
4. MANUFACTURING																				
5. MATERIAL																				
6. G & A																				
REMARKS																				
NAME OF PERSON TO BE CONTACTED										SIGNATURE					DATE					

DD Form 1921-1 Reverse, 84 JAN

Figure C-12.

SECURITY CLASSIFICATION		PROGRESS CURVE REPORT (Recurring Cost Only)		1 PROGRAM					
SECTION A	2 DOLLARS IN		3 HOURS IN		5 CONTRACT NO		6 REPORT FOR ___ MONTHS ENDING _____		
	4 TOTAL CUMULATIVE UNITS ACCEPTED AS OF LAST REPORT								
	7. MULTIPLE YEAR CONTRACT <input type="checkbox"/> YES <input type="checkbox"/> NO		9. <input type="checkbox"/> PRIME/ASSOCIATE <input type="checkbox"/> SUBCONTRACTOR (Name and address; include ZIP Code)		10. NAME OF CUSTOMER (Subcontractor Use Only)				
	8. FY FUNDED								
11. REPORTING ELEMENT(S)									
SECTION B	ITEM		UNITS / LOTS ACCEPTED					ESTIMATE OF NEXT UNIT / LOT TO BE ACCEPTED	TO COMPLETE CONTRACT
			A	B	C	D	E	F	G
	1. MODEL AND SERIES								
	2. FIRST UNIT OF LOT								
	3. LAST UNIT OF LOT								
	4. CONCURRENT UNITS								
	CHARACTERISTICS								
	5								
	6								
	7								
	CONTRACTOR DATA (Per Unit / Lot)								
	8. DIRECT QUALITY CONTROL MAN-HOURS								
	9. DIRECT MANUFACTURING MAN-HOURS								
	10. QUALITY CONTROL DIRECT LABOR DOLLARS		\$	\$	\$	\$	\$	\$	\$
	11. MANUFACTURING DIRECT LABOR DOLLARS		\$	\$	\$	\$	\$	\$	\$
	12. RAW MATERIAL & PURCHASED PARTS DOLLARS		\$	\$	\$	\$	\$	\$	\$
	13. PURCHASED EQUIPMENT DOLLARS		\$	\$	\$	\$	\$	\$	\$
	14. TOTAL DOLLARS		\$	\$	\$	\$	\$	\$	\$
	SUBCONTRACT / OUTSIDE PROD & SERV								
	15. DIRECT QUALITY CONTROL MAN-HOURS								
	16. DIRECT MANUFACTURING MAN-HOURS								
	17. TOTAL MAN-HOURS								
	18. QUALITY CONTROL DIRECT LABOR DOLLARS		\$	\$	\$	\$	\$	\$	\$
	19. MANUFACTURING DIRECT LABOR DOLLARS		\$	\$	\$	\$	\$	\$	\$
	20. RAW MATERIAL & PURCHASED PARTS DOLLARS		\$	\$	\$	\$	\$	\$	\$
	21. PURCHASED EQUIPMENT DOLLARS		\$	\$	\$	\$	\$	\$	\$
	22. TOTAL DOLLARS		\$	\$	\$	\$	\$	\$	\$
	UNIT TOTAL <input type="checkbox"/> AVERAGE <input type="checkbox"/>								
	23. DIRECT QUALITY CONTROL MAN-HOURS								
	24. DIRECT MANUFACTURING MAN-HOURS								
	25. TOTAL MAN-HOURS								
	26. QUALITY CONTROL DIRECT LABOR DOLLARS		\$	\$	\$	\$	\$	\$	\$
27. MANUFACTURING DIRECT LABOR DOLLARS		\$	\$	\$	\$	\$	\$	\$	
28. RAW MATERIAL & PURCHASED PARTS DOLLARS		\$	\$	\$	\$	\$	\$	\$	
29. PURCHASED EQUIPMENT DOLLARS		\$	\$	\$	\$	\$	\$	\$	
30. TOTAL DOLLARS		\$	\$	\$	\$	\$	\$	\$	
31. % SUBCONTRACT OR OUTSIDE PROD. & SERV									
MFG FLOW TIME									
M O S O R Q T R S	32. START								
	33. FINISH								
	34								
	35								
	36								
	37								
	38								
39									

DD Form 1921-2, 84 JAN

Previous editions are obsolete

SECURITY CLASSIFICATION

ITEM	UNITS / LOTS ACCEPTED					ESTIMATE OF NEXT UNIT / LOT TO BE ACCEPTED	TO COMPLETE CONTRACT
	A	B	C	D	E		
PERFORMANCE DATA (Per Unit / Lot)							
40. STANDARD HOURS							
41. VARIANCE							
SCHEDULE OF RELEASE DATES	ENGINEERING A		MATERIAL B		TOOLING C	MANUFACTURING D	
1. PLANNED							
2. ACTUAL							
REMARKS							
NAME OF PERSON TO BE CONTACTED			SIGNATURE			DATE	

DD Form 1921-2 Reverse, 84 JAN

Figure C-14.

Form Approved
OMB No. 0704-0045
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1. CONTRACTOR		2. PLANT LOCATION													
3. REPORT PERIOD ENDING		4. DATE SUBMITTED													
PLANT-WIDE DATA REPORT															
OVERHEAD ACCUMULATION, DISTRIBUTION AND APPLICATION															
TIME PERIOD	① FROM		② TO		③ FROM		④ TO		⑤ FROM		⑥ TO				
	ENG.	MFG.	MAT'L.	OTHER	ENG.	MFG.	MAT'L.	OTHER	ENG.	MFG.	MAT'L.	OTHER			
PROGRAM/ PROJECT	QTY.	BUYER													
1.	a.	b.	c.												
2.															
3.															
4.															
5.															
6.															
7.															
8.															
9.															
10.															
11.	OTHER GOVT. EFFORT														
12.	COMMERCIAL EFFORT														
13.	TOTAL DIRECT COST BASE														
INDIRECT COST CATEGORY				INDIRECT COST											
14. INDIRECT LABOR				ENG.	MFG.	MAT'L.	OTHER	ENG.	MFG.	MAT'L.	OTHER	ENG.	MFG.	MAT'L.	OTHER
15. EMPLOYEE BENEFITS				b.				b.				b.			
16. PAYROLL TAXES															
17. EMPLOYMENT															
18. SUBSCRIPTION/TRAVEL															
19. PRODUCTION RELATED															
20. FACILITIES-MAINTENANCE/LAND															
21. FACILITIES-FURNITURE/EQUIPMENT															
22. ADMINISTRATION															
23. FUTURE BUSINESS															
24. OTHER MISCELLANEOUS															
25. CREDITS															
26. TOTAL OVERHEAD COST															
27. TOTAL GSA COST															
28. OVERHEAD/GSA RATE															
EMPLOYMENT - INDIRECT															
29. WORKERS															

SECURITY CLASSIFICATION

DD FORM 1 AUG 73 1921-3

Figure C-15.

DIRECT LABOR RATES

SECTION C	1ST QUARTER			2ND QUARTER			3RD QUARTER			4TH QUARTER			PAST YEAR		YEAR:	
	WORKERS a	BASIC RATE b	EFF. RATE c	BASIC RATE b	BASIC RATE b	BASIC RATE b	BASIC RATE b									
1. ENGINEERING																
2. TOOLING																
3. DESIGN																
4. FABRICATION																
5. QUALITY CONTROL																
6. MANUFACTURING																
REMARKS:																
NAME OF PERSON TO BE CONTACTED												SIGNATURE		DATE		

SECURITY CLASSIFICATION

Figure C-16.

Appendix D
Department of Defense Instruction



March 2, 1983
NUMBER 7000.3

Department of Defense Instruction ASD(C)

SUBJECT: Selected Acquisition Reports

- References:
- (a) DoD Instruction 7000.3, subject as above, April 4, 1979 (hereby canceled)
 - (b) Section 1107 of Public Law 97-252, "DoD Authorization Act, 1983," September 8, 1982, and Title 10, United States Code, Section 139a
 - (c) DoD 5025.1-M, "Directives System Procedures," April 1981, authorized by DoD Directive 5025.1, October 16, 1980
 - (d) DoD Instruction 7045.7, "The Planning, Programing, and Budgeting System," October 29, 1969
 - (e) through (l), see enclosure 1

A. REISSUANCE AND PURPOSE

1. This Instruction reissues reference (a) to incorporate provisions contained in reference (b), provides procedures, and assigns responsibilities.
2. This Instruction authorizes the publication of DoD 7000.3-G, "Preparation and Review of Selected Acquisition Reports," consistent with reference (c).

B. APPLICABILITY

The provisions of this Instruction apply to the Office of the Secretary of Defense (OSD), the Military Departments, and the Defense Agencies (hereafter referred to as the "DoD Components").

C. DEFINITIONS

The terms used in this Instruction are defined in enclosure 2.

D. POLICY

1. DoD policy requires a management reporting system that obtains consistent, reliable data on the status of DoD acquisition programs. This reporting system fulfills the needs of the Secretary of Defense and the Congress and is in consonance with current decentralized management philosophy.
2. The reporting requirements and formats described in this Instruction are designed to fulfill the congressional statutory provisions contained in reference (b). Each format is independent. Formats can be integrated and tailored to meet unique reporting requirements. Special and unique reporting requirements within the selected acquisition report (SAR) framework will be directed by the Assistant Secretary of Defense (Comptroller) (ASD(C)), as needed.
3. The requirement for information specified in this Instruction shall not be used as authority to require additional data from a contractor. Information presented in this report will be based solely on estimates made by the DoD Component, supplemented by summaries of data normally received from contractors.

Figure D-1.

E. RESPONSIBILITIES

1. The Assistant Secretary of Defense (Comptroller) shall:

a. Administer SAR and acquisition inventory requirements and provide guidance to the DoD Components as necessary.

b. Determine which DoD acquisition programs meet the reporting criteria.

c. Develop, publish, and maintain DoD 7000.3-G, consistent with DoD 5025.1-M (reference (c)).

d. Review all reports for accuracy and consistency before forwarding to the Congress.

e. Coordinate OSD staff review.

f. Maintain a historical data file on all SARs and acquisition inventories.

2. The Heads of DoD Components shall:

a. Develop procedures to implement this Instruction (see section H.).

b. Determine and submit to the ASD(C) DoD acquisition programs that meet the reporting criteria.

c. Provide necessary information to the DoD acquisition program managers to ease the preparation of all reports.

d. Review all reports for accuracy and consistency before forwarding to the ASD(C).

e. Ensure that program managers:

(1) Prepare all reports in accordance with this Instruction and DoD 7000.3-G.

(2) Ensure reports are accurate and consistent before forwarding them to higher authority.

(3) Maintain enough records to document fully reported data and ensure they are available for periodic onsite OSD reviews.

F. PROCEDURES

1. General

a. Comprehensive annual SARs summarize and compare current estimates of technical, schedule, quantity, and cost information of DoD acquisition programs

Figure D-2.

with planning, development, or production estimates. Quarterly SARs summarize and compare similar information but in less detail. The acquisition inventory summarizes cost and quantity information.

b. All programs that are designated as major system acquisitions by the Secretary of Defense or that are estimated by the Secretary of Defense to require an eventual total research, development, test, and evaluation (RDT&E) expenditure of more than \$200 million in constant fiscal year (FY) 1980 dollars or an eventual total procurement expenditure of more than \$1 billion in constant FY 1980 dollars will be covered by one or both of the reports identified in paragraph F.1.a., above. Highly classified programs are excluded.

c. Unless otherwise noted, the policies, definitions, procedures, and general guidance contained in this Instruction apply to SARs and to SAR-type requirements and data included in acquisition inventories.

2. DoD 7000.3-G supplements the following procedures:

a. SARs. In preparation for a December 31 SAR each year, the DoD Component shall submit a list of potentially reportable DoD acquisition programs that are currently not covered by SARs with each year's Program Objective Memorandum (POM) submission to OSD (DoD Instruction 7045.7, reference (d)). This list will be updated and resubmitted with the subsequent budget submission to OSD.

(1) Criteria for identifying potentially reportable programs are:

(a) Major system acquisitions in accordance with the provisions of DoD Directive 5000.1 and DoD Instruction 5000.2 (references (e) and (f)).

(b) All other DoD acquisition programs that are estimated to require an eventual expenditure for RDT&E of more than \$200 million in FY 1980 constant dollars (including sunk costs in then year dollars) or an eventual expenditure for procurement of more than \$1 billion in FY 1980 constant dollars (including sunk costs in then year dollars) and that will eventually require a congressional data sheet.

(2) The list of potentially reportable programs shall contain a detailed justification on those programs which meet the above criteria, but present unusual or burdensome reporting problems. The final list of new reportable programs shall be developed in coordination with the DoD Component, the Under Secretary of Defense for Research and Engineering (USDR&E) and the Director, Program Analysis and Evaluation (DPA&E). Waivers on programs meeting the reporting criteria, but with unusual or burdensome reporting problems, will be requested by the Secretary of Defense from the House and Senate Armed Services Committees.

(3) Upon determination and notification that a DoD acquisition program has been designated for SAR reporting, the ASD(C) will direct the DoD Component concerned to recommend to the ASD(C) data elements for key technical and operational characteristics, specific significant milestones, and cost groupings for inclusion in the comprehensive annual SAR. For

Figure D-3.

major system acquisitions, the technical and operational characteristics, schedule milestones, and the program acquisition cost categories having Secretary of Defense Decision Memorandum (SDDM) or Decision Coordinating Paper (DCP) thresholds will be included as a minimum. The definitions of these characteristics and milestones shall be identical to those used in the SDDM or DCP where one exists. The proposed planning estimate (PE), development estimate (DE), or production estimate (PdE) values (whichever are applicable) and references for all proposed data elements (stub items) shall be included. For other DoD acquisition programs, the data elements shall be identical to those found in the R&D descriptive summary or congressional data sheet, as a minimum. Proposed data elements shall be submitted to the ASD(C) no later than 30 days after a program has been designated for SAR reporting.

(a) The data elements will be reviewed and approved by the ASD(C), in coordination with the USDR&E and the DPA&E. The approval notification to the DoD Component will include the due date of the initial report.

(b) The approved characteristics, milestones, and cost detail represent the minimum OSD requirement; a DoD Component may require greater detail, if necessary, for better understanding of the program, consistent with the objective of summary reporting.

(c) For similar DoD acquisition programs, common technical and operational characteristics and schedule milestones shall be used.

(d) Required formats and detailed instructions are in enclosure 3.

(4) DoD acquisition programs may also be added to or deleted from SAR reporting based on recommendations made to ASD(C) by the responsible DoD Component, principal OSD staff assistants, or appropriate congressional committees. Such requests will be submitted to the ASD(C) for review and approval in coordination with the USDR&E and the DPA&E.

(5) SAR termination normally will be considered when system production is 90 percent complete (that is, either 90 percent of expected deliveries have been made or 90 percent of expected outlays have been expended) and the program is no longer a P-1 line item (DoD 7110.1-M, reference (g)). Termination of SAR reporting is not automatic, but must be requested and approved before the "as of" date of the last proposed submission. A notice of final submission will be included in the highlights section of the last report.

(6) A comprehensive annual SAR with an as of date of December 31 shall be prepared for all programs designated for selected acquisition reporting. This is a nominal date for cost and funding data; the December 31 SAR will reflect the President's budget. At least 5 working days before the formal submission to the ASD(C), the DoD Components shall provide an advance working copy of each SAR to the ASD(C). The comprehensive annual SAR submission of 26 collated sets of each Component's SARs will be due to the ASD(C) the working day immediately preceding the 30th calendar day after the President sends the budget to the Congress for the following FY. One set will include the security copies discussed in subparagraph F.2.a.(8), below. Advance working copies will be submitted by the ASD(C) to the appropriate congressional

Figure D-4.

committees on the next working day. Following review and processing by OSD, the comprehensive annual SARs (December 31) are scheduled for transmission to the appropriate congressional committees 45 days after the President sends the budget to the Congress.

(7) When any change in the technical and operational characteristics, schedule milestones, or program cost has occurred since the most recent comprehensive annual or quarterly report, a quarterly SAR shall be prepared as of March 31, June 30, or September 30. For these reports, the DoD Component shall provide an advance working copy of each SAR to the ASD(C) at least 5 working days before the formal submission. For the March 31, June 30, and September 30 SARs, 16 collated sets of each Component's SARs shall be submitted to the ASD(C) on the working day immediately preceding the 21st calendar day after the end of each reporting period. One set will include the security copies discussed in subparagraph F.2.a.(8), below. Following review and processing by OSD, the quarterly SARs for March 31, June 30, and September 30 shall be sent to the appropriate congressional committees 30 days after the end of the reporting period.

(8) On at least one copy of the report, items of information that, in the judgment of the DoD Component, require security classification shall be enclosed with brackets. As a general policy, the program acquisition cost shall be unclassified. When the quantities and unit prices are classified CONFIDENTIAL or higher, the program acquisition cost shall be classified accordingly.

b. Defense Weapon Systems Acquisition Inventory. Specific submission requirements for the Defense weapon systems acquisition inventory will be included in the formal request to the DoD Component for the report. The report shall be prepared as of September 30 of each year and shall be detailed to reflect the program cost, program quantity, and program acquisition status of each DoD acquisition program meeting directed cost thresholds. This annual inventory listing will cover all DoD acquisition programs reported in the SARs or for which there were line items in the budget for that FY, unless otherwise directed. The format for the acquisition inventory is shown in enclosure 4.

c. Guidance for all reports covered by this Instruction normally will be issued at least 20 working days before the "as of" date of the required report.

3. The OSD detailed SAR review responsibilities are as stated in Appendix C of DoD 7000.3-G.

G. INFORMATION REQUIREMENTS

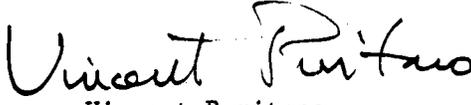
1. Report Control Symbol DD-COMP(Q&A)823 has been assigned to the reporting requirement in paragraph F.2.a. (SAR).

2. Report Control Symbol DD-COMP(A)1258 has been assigned to the reporting requirement in paragraph F.2.b. (Defense weapon systems acquisition inventory).

Figure D-5.

H. EFFECTIVE DATE AND IMPLEMENTATION

This Instruction is effective immediately. Forward one copy of each implementing document to the Assistant Secretary of Defense (Comptroller) within 120 days.


Vincent Puritano
Assistant Secretary of Defense
(Comptroller)

Enclosures - 4

1. References
2. Definitions
3. Instructions for Preparation of SARs
4. Defense Weapon Systems Acquisition Inventory (Format)

Figure D-6.

REFERENCES, continued

- (e) DoD Directive 5000.1, "Major System Acquisitions," March 29, 1982
- (f) DoD Instruction 5000.2, "Major System Acquisition Process," March 19, 1980
- (g) DoD 7110.1-M, "Budget Guidance Manual," July 8, 1982
- (h) DoD Directive 5000.28, "Design to Cost," May 23, 1975
- (i) DoD Instruction 7220.31, "Unit Cost Reports," March 2, 1983
- (j) DoD Instruction 5000.33, "Uniform Budget/Cost Terms and Definitions,"
August 15, 1977
- (k) DoD Instruction 7220.32, "Supplemental Contractor Cost Reports," (to be
published)
- (l) AMCP 715-8, NAVMAT-5241, AFSCP/AFLCP 800-15, "Contractor Cost Data
Reporting System," November 5, 1973

Figure D-7.

DEFINITIONS

As used in this Instruction, the following definitions apply:

1. Approved Program. The operational, technical, schedule, and quantity requirements reflected in the latest approved SDDM or DCP or in any other document reflecting a more current decision of the Secretary of Defense or other appropriate approval authority, such as the President's budget, and supporting documentation, such as congressional data sheet. Changes being considered and reflected in planning, programing, and budgeting system (PPBS) memoranda, such as POM/PDM/PBD, shall not be reported until approved and included in the President's budget. When goals have been established in an SDDM or other decision document, those values shall be expressed in terms of goals rather than thresholds.
2. Current Estimate (CE). A DoD Component's latest forecast of operational and technical characteristics, schedule milestones, and program acquisition cost to acquire the total program quantity.
3. Decision Coordinating Paper (DCP). The Defense System Acquisition Review Council (DSARC) documentation required by DoD Directive 5000.2 (reference (f)). For Milestone I decisions, the DCP is a shorter document called the System Concept Paper (SCP).
4. Defense Weapon System Acquisition Inventory. A summary of program cost and quantity for DoD acquisition programs.
5. Design-to-Cost Goal. A specific cost number in constant dollars, based upon a specified production quantity and rate, established early during system development as a management objective and design parameter for later phases of the acquisition cycle (DoD Directive 5000.28, reference (h)).
6. Development Estimate (DE). The estimates of operational and technical characteristics, schedule milestones, and program acquisition cost (by appropriation) developed at the time full-scale engineering development is initiated or at Milestone II. For major system acquisitions, an SDDM will be the source of the operational and technical characteristics, schedule milestones, and cost estimates; however, in the absence of an approved SDDM, other documents may be used (see 9., below) and shall be identified in the report. For other DoD acquisition programs, source documents would be a PBD, TDP, R&D descriptive summary, congressional data sheet, FYDP or similar document. When goals have been established in an SDDM or other approved decision document, those values shall be expressed in terms of goals rather than thresholds. The DE will be reflected up to and including the first time the PdE is reported as the program baseline. A change in the SAR baseline from DE to the PdE must be requested by the DoD Component and approved by the ASD(C).
7. Funding
 - a. Current and Prior Years. That portion of the CE that has been appropriated by the Congress for the current FY and for all years before the current FY, plus or minus approved reprogramming actions (including reprogramming requests that have been forwarded to the Congress but have not been acted upon). Adjustments shall be made for those years whose obligations have lapsed.

Figure D-8.

8. Major Contract. Any contract subject to unit cost reporting (DoD Instruction 7220.31, reference (i)).

9. Planning Estimate (PE). The estimates of operational and technical characteristics, schedule milestones, and program acquisition cost (by appropriation), developed at the time the Secretary of Defense approved the program or before Milestone I. For major system acquisitions, an SDDM normally will be used as a source for the technical and operational characteristics, schedule milestones, and cost estimates; however, in the absence of an approved SDDM, the System Concept Paper (SCP) or the DCP, a draft DCP or SCP, Program Budget Decision (PBD), Technical Development Plan (TDP), R&D descriptive summary, congressional data sheet, FYDP, or similar document or combination of documents may be used. For other DoD acquisition programs, source documents would be a PBD, TDP, R&D descriptive summary, congressional data sheet, FYDP, or similar document. When goals have been established in an SDDM or other approved decision document, values shall be expressed in terms of goals rather than thresholds. The specific source document used will be identified in the report. Once a PE baseline is established, it will not be changed unless specific prior approval is granted by the ASD(C). The PE will be reflected up to and including the first time the development estimate (DE) is reported as the program baseline. A change in the SAR baseline from PE to DE must be requested by the DoD Component and approved by the ASD(C).

10. Procurement Unit Cost. The unit cost that equals the total cost for procurement divided by the number of fully-configured end items procured by procurement funds.

11. Procurement Unit Cost for a given FY. The unit cost that equals the sum of all procurement funds appropriated for a given FY reduced by the amount of funds appropriated in that FY for advance procurement for any later year and increased by any amount appropriated in a previous FY for advance procurement for the given FY, divided by the number of fully configured end items to be procured during the given FY.

12. Production Estimate (PdE). The estimates of operational and technical characteristics, schedule milestones, and program acquisition cost (by appropriation) developed at the time production is initiated or at Milestone II. For major system acquisitions, an approved SDDM will be the source for the characteristics, schedule and cost estimates; however, in the absence of an SDDM, other documents may be used (see 9., above) and shall be identified in the report. For other defense acquisition programs, source documents would be a PBD, TDP, R&D descriptive summary, congressional data sheet, FYDP, or similar document. When goals have been established in an SDDM or other approved decision document, those values shall be expressed in terms of goals rather than thresholds.

13. Program Acquisition Cost (PAC). The development, procurement, and system specific construction cost to acquire the defense system. SAR estimates shall include all program acquisition costs applicable to the approved program regardless of the program's stage of development. Development costs shall be accumulated from the point in time when the DoD acquisition program is designated by title as a program element or major project within a program element. Construction costs shall include those projects that directly

Figure D-9.

support and uniquely identify with the system. The detailed definition of program acquisition cost is in DoD Instruction 5000.33 (reference (j)). In general, the procurement cost portion of program acquisition cost is reflected in the weapon system line item listing (exhibit P-1, chapter 241, DoD 7110.1-M, reference (g)) for the DoD acquisition program involved, plus its associated initial spares. For Navy shipbuilding programs, outfitting and post delivery costs are also included. When the P-1 line does not include all procurement costs (under reference (j)) such costs will be identified in the SARs. The determination of add or nonadd status for such costs will be made at the time the data elements are approved.

14. Program Acquisition Quantity. The total number of units a DoD Component intends to buy through the life of the program, as approved by the Secretary of Defense. This quantity may extend beyond the FYDP years and shall be consistent with the program in the FYDP, unless otherwise directed.

15. Program Acquisition Unit Cost. The unit cost that equals the total cost for development and procurement and system-specific military construction for the acquisition program (reference (j)), divided by the number of fully-configured end items to be produced.

16. Program Change - Quantity. That portion of the cost change between the PE, DE, or PdE (whichever is applicable) and the CE which is attributed solely to changes in quantity to be procured. Such costs are calculated from the applicable PE, DE, or PdE cost-quantity curve or curves.

17. Selected Acquisition Reports (SARs). Standard, comprehensive, summary status reports on DoD acquisition programs for management within the Department of Defense. Selection for reporting will usually be limited to those DoD system acquisition programs that are estimated in the FYDP (DoD Instruction 7045.7, reference (d)), to require a total cumulative financing for RDT&E over \$200 million in FY 1980 constant dollars or cumulative procurement financing over \$1 billion in FY 1980 constant dollars, or are designated as a major system acquisition by the Secretary of Defense in accordance with DoD Directive 5000.1 (reference (e)) and DoD Instruction 5000.2 (reference (f)). Criteria for adding or deleting major systems for SAR reporting are set forth in subsection F.2., basic Instruction. Systems that do not qualify under the guidelines established in subsection F.2. may also be designated for SAR coverage by the Secretary of Defense.

a. Comprehensive Annual SARs. The SAR for the quarter ending December 31 of each year will be called the comprehensive annual SAR. The comprehensive annual SAR shall consist of formats A, B, C, D, E, E8, E9, F, G, and H. The formats are described in enclosure 3. The first SAR on a program will also be a comprehensive annual SAR, even if it is submitted for the March 31, June 30, or September 30 reporting period.

b. Quarterly SARs. The SAR for the quarters ending March 31, June 30, and September 30 will be a quarterly SAR. The quarterly SAR will consist of formats BQ, E8, F, and G, and when required, format H. The formats are described in enclosure 3.

Figure D-10.

INSTRUCTION FOR PREPARATION OF SARs

A. GENERAL

1. Comprehensive Annual SAR

a. This SAR shall consist of formats A, B, C, D, E, E8, E9, F, G, and H. The DoD Component shall provide selected technical, schedule, quantity, and cost information, as specified below, on those DoD acquisition programs that which have been designated for SAR reporting.

b. Each SAR shall be prepared in a concise, summary form with emphasis on new information or significant changes rather than on repetitive data of a historical nature. Normally, each comprehensive annual SAR shall be limited to 18 pages or less.

2. Quarterly SAR

a. This SAR shall consist of formats BQ, E8, F and G, and when required, format H. This SAR will provide the appropriate information as described below when there is a change to any of the program cost, technical performance, or schedule data elements contained in the comprehensive annual SAR, or when changes or corrections are directed by the ASD(C). In addition any cost change requiring a cost variance analysis shall also require a quarterly SAR.

b. Each quarterly SAR shall be prepared in a concise, summary form and normally shall be limited to 8 pages or less.

B. INSTRUCTIONS FOR SAR FORMATS (attachment 1)

1. Cover Sheet. Enter the name of the report, the Report Control Symbol, the "as of" date, the designation, security classification, declassification information, and an index by format designation. See pages 1 and 2 of attachment to enclosure 3 for format layout.

2. Reference Page (format A). (Comprehensive annual SAR). See page 3 of attachment to enclosure 3 for format layout.

a. Dates. Enter the "as of" date of the report.

b. Designation. Enter designation of the DoD acquisition program (example: F-15).

c. Nomenclature. Enter nomenclature of the DoD acquisition program (example: advanced tactical fighter).

d. Popular Name. Enter popular name of the DoD acquisition program (example: EAGLE).

e. Mission and Description. Enter a brief description of the DoD acquisition program including its principal subsystems and mission. Enter the name or names of other defense system or systems this system will replace, or, if none, so state.

Figure D-11.

f. Related Programs. Identify directly related program or programs; that is, any program directly affected by changes in this program's cost, schedule or operational and technical characteristics, or any program that could directly impact the cost, schedule, or performance of this program.

g. Contractor Name. Enter the name, division, and plant location of the major hardware contractor and subcontractor, and indicate the major system or subsystem produced by each.

h. DoD Component. Enter the responsible DoD Component.

i. Responsible Office and Phone Number. Enter the DoD Component's responsible office and project manager's name, date of assignment, and commercial and AUTOVON telephone numbers.

j. References. Summarize references used in each section of the SAR for the PE, DE, or PdE (whichever is applicable), and the approved program. The number of the program element included in the CE of program acquisition cost will be identified by appropriation. Also, identify project number when the entire program element is not included. One copy of each referenced document will be submitted to the ASD(C) with the initial SAR submission. When a reference is changed or added, a copy of the document will be submitted with the first SAR in which the reference appears. For references, other than SCPs or DCPs, that exceed ten pages or include programs other than the subject SAR program (such as, President's budget), only the cover page and appropriate sections need be submitted.

3. Summary (format B). (Comprehensive annual SAR). See page 4 of attachment to enclosure 3 for format layout.

a. Program Highlights. In the first paragraph, labeled B.1.a., briefly summarize significant developments from program inception to date. Limit this summary to one-half page or less. The remaining highlights under paragraph B.1.b. shall focus on major events and changes since the previous comprehensive annual or quarterly report and their implications. In these paragraphs briefly summarize the significant developments in the program, including the current status of related systems and key subsystems, except for those covered by separate SARs. Include those items typically addressed in the R&D descriptive summary (such as, information contained in the program accomplishments, and test and evaluation sections) and congressional data sheet (chapters 324 and 325, DoD 7110.1-M, reference (g)). Also, provide an assessment of the extent to which the system is expected to satisfy its current mission requirement, identifying any areas where it will fall short.

b. Changes since "as of" Date. Enter any significant changes in the program that have occurred since the "as of" date.

c. SCP or DCP Thresholds Breached. Enter the number and date of the latest SDDM or the number and the date of the latest SCP or DCP (if applicable). Also, identify the submission date to OSD and current status of any formally submitted draft SCP or DCP. Identify thresholds that have been or are estimated to be breached. Identify the reference and date of reference by which OSD was notified of the breach of threshold. If no SDDM, SCP, or DCP is available, state reason.

Figure D-12.

4. Summary (format BQ). (Quarterly SAR). See page 5 of attachment to enclosure 3 for format layout.

a. Program Highlights. In paragraph BQ.1.a. identify significant developments since the previous comprehensive annual SAR or quarterly SAR as described in paragraph B.3.a., above. In addition, paragraph BQ.1.b. shall report the program status. This status is expressed as a percentage derived by dividing the number of years for which funds have been appropriated for the program by the total number of years for which funds are expected to be appropriated; and a percentage derived by dividing the amount of total funds (all appropriations) that has been appropriated for the program by the amount of total funds (all appropriations) which is planned to be appropriated for the program.

b. Changes Since Last Report. Identify any changes to the data elements which are contained in the comprehensive annual SAR for technical and operational characteristics, schedule milestones, and program acquisition costs. This identification should indicate the data element, the new value or date and the reason for change. The program acquisition cost changes shall identify the quantity, program acquisition cost, and program acquisition unit cost for the previous and current estimates. Procurement costs, procurement unit cost, and quantity for the current year are also to be identified. All costs in this section are shown in then-year-dollars.

5. Technical (format C). (Comprehensive annual SAR). List the quantifiable operational and technical (design) characteristics and their units of measure that best describe the major system and that best reflect its expected value and effectiveness in performing the intended military missions. Indicate changes since the previous submission by the notation (Ch-C), plus a sequential number covering this format, in parentheses immediately to the right of the changed data (such as, (Ch-C1), (Ch-C2)). Restart the number sequence with each format. See page 6 of attachment to enclosure 3 for format layout.

a. Operational and Technical Characteristics. Group these characteristics as "operational" or "technical." Include the characteristics for which SDDM, SCP, or DCP thresholds exist, principal performance requirements of the contract, meaningful characteristics pertaining to key subsystems, and any other characteristics considered significant. When goals have been established in an SDDM or other approved decision document, those values will be in terms of goals, not thresholds. When successive goals are established for the same characteristic, show the last goal for which a threshold is established. As required and with OSD approval, update the list to incorporate changes in mission requirements. Identify by footnote those characteristics with SCP, DCP, or SDDM thresholds.

(1) Planning Estimate. Enter the operational and technical characteristics and their originally intended values as contained in the PE. The PE will be reflected up to and including the first time the DE is reported as the program baseline.

Figure D-13.

(2) Development Estimate. Enter the specific characteristics as shown in or based on the DE. The DE will be reflected up to and including the first time the PdE is reported as the program baseline.

(3) Production Estimate. Enter the specific characteristics as shown in or based on the PdE.

(4) Approved Program. Enter the currently approved characteristics.

(5) Demonstrated Performance. Enter, for each data element being reported, that value (such as, median, mean, best, worst, and identify which it is) relative to the goal actually achieved in the development and testing program. Values ordinarily will be determined in accordance with the approved program T&E plan. In the absence of a formal test plan, the reported value will be the best objective measure of technical progress as determined by the project manager. The results of advanced development testing will be displayed until engineering development data are available. If a demonstrated performance value represents achievement of contractual guarantees, asterisk (*) and footnote that value accordingly.

(6) Current Estimate. Enter the DoD Component's CE of the value of each characteristic at completion of development.

(7) Variance Analysis. Briefly summarize explanations of significant variances between the PE, DE, or PdE (whichever is applicable) and the CE, and the identified changes since the previous submission. The thrust of the variance analysis is a summary explanation of changes between the PE, DE, or PdE and the CE, with a more detailed explanation of the identified changes since the previous report. Changes since the previous comprehensive annual or quarterly report will identify the magnitude of the change. All change explanations should explicitly identify why the change occurred. For example, additional avionics equipment explains the result of increased weight of a tactical fighter. Specifically identify any estimate that has been or is estimated to breach an SDDM, SCP, DCP, or other OSD threshold. A one-time analysis of the differences between the PE and the DE, or the DE and the PdE will accompany the submission of the first report containing the DE or PdE.

6. Schedule (format D). (Comprehensive annual SAR). Enter the approved key milestones and actual completion dates. Indicate changes since the previous submission by the notation (Ch-D), plus a sequential number covering this format, in parentheses immediately to the right of the changed data (such as, (Ch-D1), (Ch-D2)). Restart the number sequence with each format. See page 7 of attachment to enclosure 3 for format layout.

a. Schedule Milestones. As a minimum, include the milestones listed in the SCP, DCP, R&D descriptive summary, or congressional data sheet. When goals have been established in an SDDM or other approved decision document, those values will be in terms of the established goals, not thresholds. Identify by footnote those milestones with SCP, DCP or SDDM thresholds. Milestones should encompass the entire period from program initiation (that is, first year of funding) through the end of the R&D phase and should include initial operational capability (IOC). Award of the first full-scale production contract shall be included. Footnote the program definition of IOC.

Figure D-14.

(1) Planning Estimate. Enter the completion date for each milestone as shown in, or based on, the PE. The PE will be reflected up to and including the first time the DE is reported as the program baseline.

(2) Development Estimate. Enter the completion date for each milestone as shown in, or based on, the DE. The DE will be reflected up to and including the first time the PdE is reported as the program baseline.

(3) Production Estimate. Enter the completion date of each milestone as shown in, or based on, the PdE.

(4) Approved Program. Enter the completion date for each milestone as shown in, or based on, the currently approved program.

(5) Current Estimate. Enter completion dates that have actually occurred and the DoD Component's estimated completion dates for events that have not yet occurred.

b. Units Accepted to Date, Plan and Actual

(1) Plan. Enter the units scheduled to be accepted under the current plan. The current plan is that upon which the CE of program acquisition cost (format E) is based. Identify the specific kind of unit, such as, prototype, engineering and flight test articles, pilot production, and production. Include in the R&D quantity, advanced development and engineering development items to the extent such quantities are included in the program acquisition cost estimate, and displayed in the quantities section of format E.

(2) Actual. Enter the units, by specific kind, actually accepted. When units accepted are not ready for intended use, so indicate.

c. Variance Analysis. Explain, in brief summary form, the significant variances between the PE, DE, or PdE (whichever is applicable) and the CE, and the identified changes since the previous submission. Changes since the previous comprehensive annual or quarterly report will identify the magnitude of the change. All change explanations should explicitly identify why the change occurred. Specifically identify any estimate that will break an SDDM, SCP, DCP, or other OSD threshold. A one-time variance analysis of the differences between the PE and the DE, or the DE and the PdE will accompany the submission of the first report containing the DE or PdE.

7. Program Acquisition Cost (format E). (Comprehensive annual SAR). This section will contain cost estimates and funding requirements for development, procurement, and construction. Cost and funding requirements will be item 1 of this format. Report the required level of cost detail as specified in the program acquisition cost data elements (stub items) approved by OSD for each weapon system. In general, report development and construction as a one-line entry at the appropriation level. Report procurement cost in three major increments: flyaway cost, other weapon system cost, and initial spares and repair parts. This breakout will conform to the definitions in DoD Instruction 5000.33 (reference (j)). The level of aggregation required within each major increment will be tailored to the particular program being reported. As a minimum, the flyaway cost increment will be subdivided to reflect those hard-

Figure D-15.

ware items for which unit costs are reported (see paragraph B.7.1.). Indicate changes since the previous submission by the notation (Ch-E), plus a sequential number covering this format in parentheses immediately to the right of the changed data (such as, (Ch-E1), (Ch-E2)). Restart the number sequence with each format. Take care to use the minimum change notations necessary. In general, noting changes in totals (columns 3 and 8) is sufficient. See page 8 of the attachment to enclosure 3 for format layout.

a. Nuclear Costs. Reflect costs for associated nuclear armament and propulsion as separate, nonadd entries. These costs will be identified as item 7 of this format.

b. Procurement Unit Cost Baseline For Current and Budget Years. Reflect the total procurement cost, the quantity, and the procurement unit cost for the current and budget years. The total procurement cost, reduced by the amount of funds appropriated in that FY for advance procurement for any subsequent year and increased by any amount appropriated in a previous FY for advance procurement, is divided by the quantity being procured in the FY. This will yield the current procurement unit costs for each FY which becomes the baseline value during the year that budget is executed. This information will be shown as item 4 of this format. To avoid confusion, identify the FY reported. The procurement unit cost for the current year will be the same as the procurement unit cost for the budget year shown in the previous December SAR. If a prior December SAR does not exist, the value of the procurement unit cost for the current year is derived from the current estimate contained in the first comprehensive annual SAR.

c. Previously Excluded Costs. Costs previously excluded from the program acquisition cost will be added to the CE when it is determined that such costs are unique to, or otherwise appropriately chargeable to, that program. In those cases where the added costs represent formal requirements that existed at the time the PE, DE, or PdE was established, the PE, DE, or PdE may be retroactively adjusted. In such cases, the value added to the PE, DE or PdE will be the value in existence at the time of PE, DE, or PdE approval. Report any difference between the adjusted PE, DE, or PdE and the CE in the variance analysis, using the variance category that best explains the difference. When changing the PE, DE, or PdE is inappropriate, the addition will be made only to the CE and will be reflected in the variance category that best explains the difference. When previously included costs are determined to be no longer unique to, or otherwise appropriately chargeable to, the system, their deletion will be similarly treated (applies only when the subject goods or services are to be budgeted elsewhere). Changes described above will be accomplished only after review and approval by the ASD(C) in coordination with the USDR&E and DPA&E.

d. Design-to-Cost Goal. Show design-to-cost information in two separate, nonadd entries in item 5 of this format. The first section shall include the original goal, present (approved) goal, approved threshold and the program manager's current estimate for the quantities on which the goal is based. When established by an SDDM or a DCP, the second section shall include for the first 3 years of production the original goal, present (approved) goal, approved threshold and the program managers current estimate. The CE will be based on production quantity and production rate of the approved program goal. All entries will be in constant and current dollars and will be expressed as an

Figure D-16.

average unit flyaway, sailaway, or rollaway, under DoD Instruction 5000.33 (reference (j)) and DoD Directive 5000.28 (reference (h)), and will specify the assumed production quantity and rate. Design-to-cost goals are established at Milestone II, and will have a DE for a baseline.

e. Foreign Military Sales (FMS)

(1) The information for programs with approved FMS will be displayed as item 6 of this format. The information will include the quantity and estimated cost of FMS by recipient country, changes in such data since the previous report, and the schedule and cost impact of such changes on the DoD programs. The FMS information will be based on actual FMS cases as evidenced by accepted DD Form 1513s (Offer and Acceptance), as amended. The reported cost will reflect the amount shown on line 15, estimated cost, of DD Form 1513.

(2) Report the FMS data in the form of nonadd information entries. Show the applicable schedule and cost impact of FMS on the DoD program in the appropriate variance sections of formats D and E.

f. Escalation. Show all line item cost entries in columns 1, 2, and 3 under development, procurement, and construction in base year constant dollars. To avoid complications for programs reflecting a PE, the first year of funding should be established as the base year. When the base year and the first year of funding encompassed by the program acquisition cost differ, the constant dollar entry will be the sum of prebase year costs, in current dollars, and base year constant dollars for the remainder of the program. The appropriate data elements and constant dollar totals will be footnoted to identify the amount of escalation that must be added to arrive at a "true" base-year constant dollar total (see attachment 1, page 8, for example). For programs reflecting a DE or PdE, the base year should be the year in which the DE estimate was made. Identify escalation experienced and projected during the spendout period of the acquisition program. Include both economic escalation and escalation related to program changes, estimated from the base year of the program. DoD policy provides for development of the provision for escalation on the basis of price level indices. Appropriate guidance on the application of price level indices for this purpose will be issued, as required, by separate memorandum from the ASD(C).

g. Planning Estimate/Development Estimate/Production Estimate (Column 1). Enter the baseline estimate for the particular program. The PE will be reflected up to and including the first time the DE is reported as the program baseline. Similarly, the DE will be reflected up to and including the first time the PdE is reported as the program baseline. Also, include the program years (FYXX-YY) in the column heading. Show program acquisition costs for development, procurement (in terms of total and the data element breakdown currently reported) and construction in program base-year constant dollars. The entry for escalation will reflect the amount of economic escalation included at the time of the baseline's approval.

h. Changes (column 2). Enter the cost variance between the PE, DE, or PdE (whichever is applicable) and the CE. This variance is optional for line item entries below the appropriation level. The entry for escalation in this column will reflect changes in economic escalation resulting from actual

Figure D-17.

escalation different from that previously assumed and from revisions to prior assumptions regarding future escalation; and escalation related to program changes estimated from the base year of the program.

i. Current Estimate (column 3). Enter the current estimate of the total acquisition cost of the latest approved program, including a provision for experienced and projected escalation. For the comprehensive annual SAR (December 31), the current estimate will agree with the President's budget and supporting documentation, including the FYDP, R&D descriptive summary, and congressional data sheet. The cost estimates for later submissions shall reflect the latest and best estimate of the cost of the last DoD-approved program available to the DoD Component by the "as of" date for that submission (enclosure 2, paragraph 1). Program decisions made since the President's budget via the DCP/DSARC process, reprogramming actions, and Secretary of Defense memoranda (excluding PPBS memoranda such as the PDM) will be the basis for subsequent SAR submissions. Program changes which are exclusively POM changes will not be shown. This restriction will not be used to exclude actual and projected cost changes simply because such changes are included in the POM/PDM cycle. Current program acquisition costs for development, procurement (in terms of the total and the data element breakdown therein), and construction will be reflected in program base year constant dollars. The entry for escalation will reflect the amount of experienced and projected escalation, both economic and escalation related to program changes estimated from the program base year, that is included in the CE. This will be the amount reflected for escalation in column 1 plus or minus the changes for escalation reported in column 2.

j. Funding. Enter, by appropriation, that portion of the CE (including escalation) that is currently programmed for current and prior fiscal years, for the budget year, for the remainder of the FYDP period, and for the balance to complete the program. When more than one procurement appropriation is included, each will be displayed separately, such as, aircraft, missile, and other.

(1) Current and Prior Years (column 4). Enter that portion of the CE appropriated by the Congress for the current FY and for all years prior to the current year, plus or minus approved reprogramming actions (including reprogramming requests officially forwarded to Congress but not acted upon). Adjustments should be made for those years that have lapsed to the obligations level. Identify the FY included in parentheses (such as, (FY 74-82)).

(2) Budget Year (column 5). Enter that portion of the CE approved by OSD for inclusion in the last President's budget. To avoid confusion, identify the budget year in parentheses (such as, (FY 1982)). Except for approved reprogramming, apportionment, or budget amendment actions, a new budget year cost will not be reported until a new President's budget is submitted. If the signed appropriation bill differs from the amount displayed, show the appropriated amount in a footnote and assess the significant program impact of such difference in the program highlights (format B or BQ).

(3) Balance to Complete (columns 6 and 7)

(a) FYDP (column 6). Enter that portion of the CE necessary to complete the remainder of the FYDP period. Except for the comprehensive annual SAR (December 31), this entry need not agree with any specific published FYDP. Identify the FY included in parentheses (such as, (FY 83-86)).

Figure D-18.

(b) Balance (column 7). Enter that portion of the CE necessary to complete the program beyond the FYDP (that is, the difference between the CE and the sum of (1), (2), and (3)(a), above). Identify the FY included in parentheses (such as (FY 87-95)).

(5) Total (column 8). Enter the total of columns 4 through 7.

k. Quantities. This section indicates the quantities of development and procurement units, including advanced development quantities to the extent such quantities are included in the program acquisition cost. Enter all quantities immediately below the related cost estimate. If the DoD Component is acting as the procuring agent for other domestic users, show the additional quantities, their acquisition cost, and changes in the same manner as the FMS display requirements (see paragraph B.7.e.).

(1) Planning Estimate/Development Estimate/Production Estimate (column 1). Enter the total quantities included in the PE, DE, or PdE (whichever is applicable).

(2) Changes (column 2). Enter the quantity variance between the PE, DE, or PdE (whichever is applicable) and the CE.

(3) Current Estimate (column 3). Enter the total quantities included in the CE. This should be the program acquisition quantity.

l. Unit Costs. Divide the procurement quantities into the total procurement costs and the total quantities into the program acquisition costs to obtain the total procurement unit cost and program acquisition unit cost, respectively. Enter these unit costs in the applicable PE, DE, or PdE and CE columns. Use the breakdown between development and procurement escalation shown in the cost variance analysis for both the PE, DE, or PdE and the CE to compute the constant dollar unit cost less escalation and the unit cost with escalation for both total procurement and program acquisition unit cost figures. For those programs which produce more than one end item (such as, air defense missile systems), a single grouping of equipment will be established as a common denominator for calculation of procurement and program acquisition unit costs in accordance with DoD Instruction 5000.33 (reference (j)). Such groupings will normally represent the smallest organizational or operational configuration necessary for a fully operational system. If, in addition, unit costs are desired for one or more end items, such costs will be displayed as unit flyaway costs and will be directly determined by dividing the item quantity into the appropriate cost data element entry (see subsection B.7.).

8. Cost Variance Analysis (format E8). (Comprehensive annual and quarterly SAR). Quantify and briefly summarize the significant cost variances between the PE, DE, or PdE (whichever is applicable) and the CE, and the identified changes since the previous comprehensive annual or quarterly SAR submission. This section will be prepared in accordance with format E8, cost variance analysis (attachment 1, page 9). The cost variances will be classified and reported according to the categories listed and defined in paragraph B.8.f., below. The escalation column will reflect both economic escalation and escalation related to program changes, estimated from the base year of the program.

Figure D-19.

All other cost data reflected in the development, procurement, and construction columns will be expressed in base year constant dollars. The narrative shall explain each change's cause concisely, but completely. The format will be divided into three sections: item 1, summary; item 2, summary of previous changes (narratives); and item 3, changes since previous report. When this format is part of a quarterly SAR, item 2 may be omitted. See attachment 1, page 9, for format layout.

a. Planning/Development/Production Estimate. Enter the applicable costs reflected in column 1 of the program acquisition cost section (format E). The amount of economic escalation included in the PE, DE, or PdE for each appropriation will be reflected in the remarks column.

b. Previous Changes. For each cost variance category, enter the cost variances between the PE, DE, or PdE (whichever is applicable) and the CE that reflect the cumulative cost of such changes through the previous quarter. Corrections to previous changes will be shown as current changes.

(1) Economic Changes. As defined in subparagraph B.8.f.(1), below, these include changes in the CE resulting from actual escalation different from that previously assumed and from revisions to prior assumptions regarding future escalation. Enter such changes in the escalation and total columns and identify the amounts for each appropriation.

(2) Program Changes. These include all types of cost changes listed in paragraph B.8.f. below, other than economic changes. Such program changes will provide the best estimate of costs including experienced and projected escalation. Enter the cost of the program change in base year constant dollars by appropriation for each variance category. Enter the escalation related to the program change, estimated from the base year, in the escalation column and identify by appropriation. When negative program changes affect the current provision for economic escalation, report their associated escalation as an economic change, to the extent such escalation was previously reflected in the CE.

c. Current Changes. For each cost variance category, enter the cost variance between the PE, DE, or PdE (whichever is applicable) and the CE that reflects the cost of such changes for the current quarter. The guidance provided under paragraph B.8.b., above, for reporting economic and program changes in the previous changes section applies also to the reporting of economic and program changes for the current changes section.

d. Total Changes. Enter the sum of the subtotals for previous changes and current changes. These will agree with the appropriation and escalation totals reported in column 2 of the program acquisition cost section.

e. Current Estimate. Enter the applicable costs reflected in column 3 of the program acquisition costs section. The PE, DE, or PdE (paragraph B.8.a., above) plus or minus the total changes (paragraph B.8.d., above) must equal the CE. The parenthetical entries for escalation will reflect the sum of such entries under the PE, DE, or PdE (paragraph B.8.a., above) and those shown by appropriation for previous and current changes.

Figure D-20.

f. Cost Variance Categories. Identify cost variances separately for development, procurement, and construction. Classify them according to the categories specified below. When multicategory changes occur all variances will be calculated in the following order to ensure appropriate allocations are made:

(1) Economic Change. A change due solely to operation of the economy. This includes changes in the CE resulting from actual escalation different from that previously assumed and revision of the assumptions regarding future escalation. Prior approval of the ASD(C) is required for changes intended to reflect actual escalation in prior years.

(2) Quantity Change. A change in quantity of an end item of equipment. Ordinarily, categorization as a quantity change will be limited to those end items for which unit costs are required and for which cost-quantity curves (format H) have been prepared. All quantity changes will be calculated using the baseline (PE, DE, or PdE) cost-quantity curves in effect. The difference between the cost of the quantity change based on the baseline cost-quantity curves and the cost based on the CE cost-quantity curves will be assigned to the schedule, engineering, estimating, and other categories, as appropriate. This does not include changes in support items.

(3) Schedule Change. A change in a procurement or delivery schedule, completion date, or intermediate milestone for development or production. This does not include changes in support items.

(4) Engineering Change. An alteration in the physical or functional characteristics of a system or item delivered, to be delivered, or under development, after establishment of such characteristics. This does not include changes in support items.

(5) Estimating Change. A change in program cost due to a correction of error in preparing the PE, DE, or PdE, refinement of a prior CE, or a change in program or cost estimating assumptions and techniques not provided for in the quantity, engineering, schedule, or support variance categories.

(6) Other. A change in program cost for reasons not provided for in other cost variance categories.

(7) Support Change. Any change in cost, regardless of reason, associated with any work breakdown structure (WBS) element not included in fly-away cost under DoD Instruction 5000.33 (reference (j)). This will generally include all cost changes associated with training and training equipment, peculiar support equipment, data, operational site activation, and initial spares and repair parts. However, construction costs funded by the military construction appropriation associated solely with operational site activation will be categorized elsewhere as appropriate.

9. Program Acquisition Unit Cost (PAUC) History (format E9.) (Comprehensive annual SAR). Quantify and summarize the track of program acquisition unit cost from the baseline displayed in the first SAR to the SAR current estimate. All values are in escalated dollars and should reflect three significant digits. The SAR baseline to current estimate track is derived from the

Figure D-21.

"total" column of format E8., cost variance analysis. The cost track consists of three sections as shown below and content of display will depend on the acquisition phase of the program. All unit cost variance values with the exception of quantity are calculated by dividing the cumulative cost of each variance (in then-year dollars) by the current program acquisition quantity. The quantity unit change is calculated by the following equation: [(Baseline PAC plus or minus quantity changes in dollars) divided by current program acquisition quantity] less the baseline PAUC. See page 10 of the attachment to enclosure 3 for format layout.

a. PE to DE/CE. This section will contain the year of first authorization, the PAUC of first authorization (if different than the PE) and the PAUC track from the PE to the DE/CE. If the current baseline is a DE or PdE, the reasons for change from the PE to DE must be described in narrative. If the DE is currently the baseline, narrative explanation is contained in format E8., cost variance analysis, and therefore shall not be repeated. For those systems without a unit cost track from the first authorization or PE to the DE, a narrative explanation of the changes from first authorization to DE shall be provided.

b. DE to PdE/CE. This section will show the PAUC changes from the DE to PdE or CE when the program does not have a PdE.

c. PdE to CE. This section will show the PAUC changes from the PdE to the CE.

10. Contractor Costs (format F). (Comprehensive annual and quarterly SAR). Contractor cost information (that is, cost to the government including profit or fee) will be reported separately for the major contracts. This includes the six largest contracts with the government and excludes subcontracts. For the same quarter, these are the same contracts shown on the unit cost report (DoD Instruction 7220.31, reference (i)). Exceptions to these criteria will be provided on a program by program basis. Identify each contract by contractor, number, type, award date, and whether a definitized or undefinitized contract is in effect. When appropriate, entries will be based on information contained in the latest contractor cost and performance reports. The "as of" date shall be noted when it differs from the SAR date. Report development, procurement, and construction contract information separately. Indicate changes since the previous submission by the notation (Ch-F), plus a sequential number for this format, in parentheses immediately to the right of the changed data (such as, (Ch-F1), (Ch-F2)). Restart the number sequence with each format.

a. Initial Contract

(1) Price. Enter the initial contract target price as stipulated in the original contract. When an undefinitized contract is in effect, enter the limitation on funds contained in the contract. This number will normally change only once, when the contract is definitized.

(2) Ceiling. Enter the contractors's initial estimated contract ceiling price.

Figure D-22.

(3) Quantity. Enter the initial deliverable end item quantity as stipulated in the original contract. When not applicable, quantity information on construction contracts may be omitted.

b. Current Contract Price

(1) Target. Enter the contractor's estimated current contract target price, that is, initial contract price plus the price of definitized changes, plus his estimated price for authorized, unpriced work.

(2) Ceiling. Enter the contractor's estimated current contract ceiling price, that is, the initial ceiling price plus ceiling price of definitized changes, plus his estimated ceiling price for authorized, unpriced work.

(3) Quantity. Enter the current deliverable end item quantity as stipulated in the current contract. When not applicable, quantity information on construction contracts can be omitted.

c. Price at Completion

(1) Contractor Estimate. Enter the contractor's current estimated price at completion. Include the estimated cost for the authorized work, plus applicable fee or profit, considering award fees, incentive arrangements or other contract pricing arrangements.

(2) Program Manager's Estimate. Enter the program manager's current estimate for (1), above. This estimate may be omitted if disclosure jeopardizes the program manager's negotiating position. Provide specific justification for such deletions separately or in the SAR transmittal memorandum.

d. Variance Analysis. Identify and explain changes since the last report. This explanation should include the changes in and reasons for cost and schedule performance variance since the last report, and the most significant occurrences of the major contracts of the program, and their effect on future program costs and program schedule. The variance explanation should be consistent with variance explanations contained in the program manager's quarterly unit cost report (DoD Instruction 7220.31, reference (i)), and the supplemental contractor cost report (DoD Instruction 7220.32, reference (k)). For contracts other than firm-fixed-price, the variance explanation should include the cost and schedule cumulative-to-date variances in dollar terms. The variances are to be obtained from contractor cost reports (such as, cost performance report (CPR) or cost/schedule status report (C/SSR)). The effect of these variances on the program manager's estimated price-at-completion is to be explained. On those contracts where the cost and schedule variances cause an increase to the program manager's estimated price-at-completion, the impact of this increase on the total program cost must also be explained. For firm-fixed price contracts, no cost or schedule variances are to be provided. However, the impact of changes in the program manager's estimated price-at-completion on these contracts to the total program cost must be explained.

11. Program Funding Summary (format G). This format displays the program acquisition cost and escalation for the CE by FY. For RDT&E, procurement and construction enter the number of units procured (see paragraph B.7.1.), the

Figure D-23.

current program cost in base-year constant dollars, current program acquisition cost in escalated dollars, total obligations to date, the total expended to date, and the annual escalation rate. When not appropriate, the number of units for construction may be omitted. For procurement, advance procurement cost and flyaway cost, in base-year constant dollars, are also to be shown. The flyaway cost will be further divided into nonrecurring and recurring costs (see joint publication, reference (1)). Both advance procurement and flyaway are on a nonadd basis. Entries should agree with the amounts reported in the applicable columns of the funding section of format E, program acquisition cost. Program base year constant dollars, escalation, and total costs should agree with the CE amounts reported in formats E and E8, for the same date. The escalation amounts shall include both economic escalation and escalation related to program changes, estimated from the base year of the program. Escalation estimates will take into account the spend-out rates applicable to the program concerned for each FYs and the compounding effect of prior years' escalation. Identify by footnote and explain only those changes in escalation rates previously reported for prior FY. The program acquisition cost for prior FYs will reflect the net of the appropriated amount plus or minus approved reprogramings. Obligations and expenditures will be based on the most recent obligation information available as of the report preparation. When formal accounting records do not reflect obligations and expenditures in this detail (merged appropriation), entry will reflect either the last known obligation and expenditures (prior to merger) or best estimate.

12. Cost-Quantity Curves (format H). (Comprehensive annual or quarterly SAR). The recurring unit flyaway, rollaway, or sailaway, cost-quantity curve in program base-year constant dollars will be submitted in graphic form with the first SAR in which the PE, DE, or PdE is reported. When appropriate, a table showing cost and quantity data by fiscal year may be substituted for a cost-quantity curve. The graph will also include the mathematical expression for the baseline curve. A CE curve will also be included when appropriate. The graph should specify the following: (a) the first unit cost and slope of each curve; (b) type of curve, such as, log-linear unit curve or log-linear cumulative average curve; and (c) cost and associated quantity of R&D units assumed in the curve, as applicable. Full engineering development vehicles or hardware used in R&D testing are to be included as part of the cost-quantity curve (unless it can be shown the units are being manufactured in an environment completely different than planned for the production units, such as, model shop). In addition, nonrecurring flyaway, rollaway, and sailaway costs in program base-year dollars should be reported in total by RDT&E and procurement appropriations. When costs must be separately computed for more than one end item of equipment (such as in paragraph B.7.1.), cost-quantity curves will be prepared for each end item (support equipment is excluded). An updated cost-quantity curve will be submitted with each comprehensive annual SAR. Additionally, an updated cost-quantity curve will be submitted when a formal program estimate has been completed. These updating requirements apply individually to each reportable end item.

Attachment - 1
SAR Formats

Figure D-24.

(CLASSIFICATION)

COMPREHENSIVE ANNUAL SELECTED ACQUISITION REPORT (RCS: DD-COMP(Q&A)823)
SYSTEM: (DESIGNATION, such as, F-99A)

REPORT AS OF: (DATE, such as, December 31, 1982)

INDEX

<u>FORMAT</u>	<u>SUBJECT</u>	<u>PAGE</u>
A	REFERENCES	
B	SUMMARY	
C	OPERATIONAL/TECHNICAL CHARACTERISTICS	
D	SCHEDULE	
E	PROGRAM ACQUISITION COST	
E8	COST VARIANCE ANALYSIS	
E9	PROGRAM ACQUISITION UNIT COST HISTORY	
F	CONTRACTOR COST	
G	PROGRAM FUNDING SUMMARY	
H	COST-QUANTITY CURVES	

DOWNGRADING INSTRUCTIONS

THIS PAGE IS UNCLASSIFIED

(CLASSIFICATION)

March 2, 1983
7000.3 (Att 1 to Encl 3)

Figure D-25.

(CLASSIFICATION)

QUARTERLY SELECTED ACQUISITION REPORT (HCS: DD-COMP (Q&A) 823)
SYSTEM: (DESIGNATION, such as, F-99A)

REPORT AS OF: (DATE, such as, MARCH 31, 1982)

INDEX

<u>FORMAT</u>	<u>SUBJECT</u>	<u>PAGE</u>
BQ	SUMMARY	
E8	COST VARIANCE ANALYSIS	
F	CONTRACTOR COST	
G	PROGRAM FUNDING SUMMARY	

DOWNGRADING INSTRUCTIONS

THIS PAGE IS UNCLASSIF

March 2, 1983
7000.3 (Att 1 to Encl 3)

(CLASSIFICATION)

Figure D-26.

COMPREHENSIVE ANNUAL SELECTED ACQUISITION REPORT
SYSTEM: (DESIGNATION, such as, F-99A)

AS OF DATE: (DATE, such as, December 31, 1982)

B. SUMMARY

1. PROGRAM HIGHLIGHTS:

- a. Significant Historical Developments (brief paragraph)
- b. Significant Developments Since Last Report

To include:

- (1) Current status of related systems and key subsystems
- (2) Discuss items addressed in R&D descriptive summary (program accomplishments and T&E sections) and congressional data sheets
- (3) System assessment (will system meet mission requirements?)

2. CHANGES SINCE "AS OF" DATE:

3. DCP THRESHOLDS BREACHED:

- a. Number and date of latest SDDM/SCP/DCP (if applicable)
- b. Submission date and current status of formally submitted draft SCP/DCP (if applicable)
- c. State threshold breaches and means of OSD notification (if applicable)

Figure D-28.

**QUARTERLY SELECTED ACQUISITION REPORT
SYSTEMS: (DESIGNATION, such as, F-99A)**

AS OF DATE: (DATE, such as, MARCH 31, 1982)

BQ. SUMMARY

1. PROGRAM HIGHLIGHTS

- a. Significant Highlights Since Last Report
- b. Program Status
 - (1) Percent program completed:
 - (2) Percent program cost appropriated:

2. CHANGES SINCE LAST REPORT

- a. Operational and Technical Characteristics:
 - (identify changes and reasons)
- b. Schedule Milestones:
 - (identify changes and reasons)
- c. Program Acquisition Cost:
 - (1) Total
 - (a) Quantity
 - (b) Cost (then-year dollars)
 - (c) Program Unit Cost (then-year dollars)
 - (2) FYXX Procurement Costs:
 - (a) Quantity
 - (b) Cost (then-year dollars)
 - Procurement Cost
 - Less CY Advanced Proc.
 - Plus PY Advanced Proc.
 - Total
 - (c) Procurement Unit Cost (then-year dollars)
 - { "Total" in (2)(b) + (2)(a) }

PREVIOUS EST CHANGE CURRENT EST

Figure D-29.

COMPREHENSIVE ANNUAL SELECTED ACQUISITION REPORT
SYSTEM: (DESIGNATION, such as, F-99A)

AS OF DATE: (DATE, such as, December 31, 1982)

(1) (2) (3) (4)

Planning/or
Development/or
Production
Estimate

Approved
Program Demonstrated
Performance Current
Estimate

C. OPERATIONAL/TECHNICAL
CHARACTERISTICS

1. OPERATIONAL
2. TECHNICAL
3. VARIANCE ANALYSIS (column 4 vs column 1)
 - a. Previous changes
 - b. Changes since previous report

NOTE:

{If the source document for any entry differs from that identified in format A, References, the document should be identified on this page by footnote.}

Figure D-30.

COMPREHENSIVE ANNUAL SELECTED ACQUISITION REPORT
SYSTEM: (DESIGNATION, such as, F-99A)

AS OF DATE: (Date, such as, DECEMBER 31, 1982)

(1) (2) (3)

Planning/or
Development/or
Production
Estimate Approved
Program Current
Estimate

D. SCHEDULE

1. Milestones

First Year of Funding
Through
Initial Operational
Capabilities (IOC)

2. Deliveries (Plan/Actual)

	<u>To Date</u>
R&D	3/3
Procurement	50/40

3. VARIANCE ANALYSIS¹ (column 3 vs column 1)

- a. Previous changes
- b. Changes since previous report

INSTRUCTIONS:

- {1. If the source document for any entry differs from that identified in format A, References, the document should be identified on this page by footnote.}
- {2. The definition of IOC must be footnoted.}

¹When FMS impact schedule, the magnitude of the change that is attributable to FMS will be specifically identified.

Figure D-31.

COMPREHENSIVE ANNUAL SELECTED ACQUISITION REPORT
SYSTEM: (DESIGNATION, such as, F-99A)

(Dollars in Millions) **AS OF DATE:** (Date, such as, December 31, 1981)
BASE YEAR: (YEAR, such as, FY 1979)

March 2, 1983
 7000.3 (Att 1 to Encl 3)

E. PROGRAM ACQUISITION COST		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Planning/or Development/or Production Estimate (FY77-86)		Changes	Current Estimate (FY84-87)	Funding	Current & Prior Yrs (FY77-82)	Budget Year (FY83)	Balance to Complete FIDP (FY84-87)	Balance to Complete Beyond FIDP	Total
1. Cost									
Development1	3,220.0	+30.5	3,230.5	Development 3,473.7	39.9	-	-	-	3,543.6
Procurement2	11,751.4	+1,260.7	13,012.1	Procurement 2,024.3	3,448.1	15,948.0	-	-	21,440.7
Airframe	6,708.1	+1,056.3	7,764.4	Construction 171.8	327.2	-	-	-	449.0
Engines	1,265.7	+72.1	1,337.8	Total	5,1669.8	3,815.2	15,948.0	-	25,483.3
Avionics	1,380.0	+90.2	1,470.2						(CH-E1)
Total flyaway	9,353.8	+1,218.6	10,572.4	Quantity	4	-	-	-	4
Peculiar support equip.	1,040.0	-	1,040.0	Development	10	20	130	-	160
Other weap. sys. cost	225.0	-	225.0	Procurement	14	20	130	-	164
Initial spares	1,132.6	+42.1	1,174.7	Total					
Construction	250.0	+85.0	335.0						
Total: constant FY79\$	15,201.4	+1,376.2	16,577.6						
Escalation	6,187.4	+2,718.3	8,905.7	4. Procurement Unit Cost Baseline For Current & Budget Years					
Development	279.7	+33.4	313.1	Total Procurement Cost	2,050.0	FY82	FY83		
Procurement	5,817.6	+2,611.0	8,428.6	Less CY Adv Proc	198.8	344.1			
Construction	90.1	+73.9	164.0	Plus FY Adv Proc	87.3	198.8			
Total Program Cost	21,388.8	+4,094.5	25,483.3	Net Total	1,938.5	3,312.8			
			(CH-E1)	Quantity	11	20			
2. Quantities				Procurement Unit Cost	176.227	165.640			
Development	4	-	4						
Procurement	150	+10	160						
Total	154	+10	164						
3. Unit Cost				5. Approved usign to Cost Goal:					
Procurement:				QTY: 150; Peak Rate: 4/mo	Development Estimate3	Approved Program Estimate	Current Estimate	Latest Approved Threshold	
Constant FY79\$	78,343	+2,983	81,326	Constant FY79\$	62.4	62.4	66.8	67.0	
Escalated	117,123	+16,881	134,004	Escalated	93.8	93.8	109.9	110.0	
Program:				QTY: 30; Peak Rate: 4/mo					
Constant FY79\$	98,710	+2,372	101,082	Constant FY79\$	83.4	83.4	89.5	90.0	
Escalated	138,888	+16,498	155,386	Escalated	113.6	113.6	133.2	134.0	
Includes \$300.0 in FY77 and \$400.0 in FY78 actuals. \$38.7 must be added to raise total pre-base year actuals to FY79\$.									
When the budget P-1 line does not include all Procurement Costs per Dob Instruction 5000.33 (reference J), such costs will be separately identified. Whether or not such costs are displayed as an "add" or "non-add" entry will be determined on a case by case basis. In general, those costs which are discretely identified to the major program will be displayed as "add" entries.									
If the PE, DE, or PdE assumptions are different from the approved program assumptions, the differences should be identified.									
6. Foreign Military Sales: Sales to date total 20 for Belgium for a total of \$4 billion.									
7. Nuclear Costs: None									

Figure D-32.

COMPREHENSIVE ANNUAL AND QUARTERLY SELECTED ACQUISITION REPORT
SYSTEM: (NAME, such as, F-99A)

AS OF DATE: (Date, such as, December 31, 1982)
BASE YEAR: (Year, such as, FY 1979)

E8. COST VARIANCE ANALYSIS

(Dollars in Millions)

	Base Year/FY9 Constant \$				ESC	TOTAL	REMARKS
	DEV	PROC	CONST	SUBTOTAL			
1. Summary							
Development Estimate	3,200.0	11,751.4	250.0	15,201.4	6,187.4	21,388.8	Esc: Dev. 279.7; Proc. 5,817.6; Const. 90.1
Previous Changes							
Economic	-	-	-	-	+394.8	+394.8	Esc: Dev. +13.2; Proc. +374.8 Const. +6.8
Quantity	-	+1,028.6	-	+1,028.6	+910.5	+1,935.1	Esc: Proc. +910.5
Schedule	+5.0	-	-	+5.0	+1,237.3	+1,242.3	Esc: Dev. +12.9; Proc. +1203.0; Const. +21.4
Engineering	+11.3	+296.2	+50.0	+357.5	+223.6	+581.1	Esc: Dev. +1.0; Proc. +199.0; Const. +23.6
Estimating	-2.7	+443.7	-	+441.0	+298.5	+739.5	Esc: Dev. +0.4; Proc. +298.1
Other	+0.9	-	-	+0.9	+0.4	+1.3	Esc: Dev. +0.4
Support	-	+70.5	+35.0	+105.5	+72.0	+177.5	Esc: Proc. +54.2; Const. +17.8
Subtotal	+14.5	+1,835.0	+85.0	+1,934.5	+3,137.1	+5,071.6	Esc: Proc. +27.9; Proc. +3,039.6; Const. +69.6
Current Changes							
Economic	-	-	-	-	+213.1	+213.1	Esc: Dev. +3.0; Proc. +205.8; Const. +4.3
Quantity	-	-511.3	-	-511.3	-453.6	-964.9	Esc: Proc. -453.6
Schedule	-	-	-	-	-127.2	-127.2	Esc: Proc. -127.2
Engineering	+16.0	-13.8	-	-13.8	-26.2	-12.4	Esc: Proc. -12.4
Estimating	-	-20.8	-	-20.8	-16.2	-21.0	Esc: Dev. +2.5; Proc. -18.7
Support	+16.0	-28.4	-	-28.4	-22.5	-50.9	Esc: Proc. -22.5
Subtotal	+16.0	-574.3	-	-558.3	-418.8	-977.1	Esc: Dev. +5.5; Proc. -428.6; Const. +73.9
Total Changes	+30.5	+1,260.7	+85.0	+1,376.2	+2,718.3	+4,094.5	Esc: Dev. +33.4; Proc. +2,611.0; Const. +73.9
Current Estimate	3,230.5	13,012.1	335.0	16,577.6	8,905.7	25,483.3	Esc: Dev. 313.1; Proc. 8,428.6; Const. 164.0

2. Previous Changes:

DEVELOPMENT

- Economic: Revised escalation rates
- Schedule: Delay in Prototype #4 due to funding reduction
- Engineering: Hydraulic systems design changes
- Estimating: Increased prototype cost and refinement of R&D estimate
- Other: 60-day strike at vendor's facility resulting in restructuring test effort

PROCUREMENT

- Economic: Revised escalation rates
- Quantity: Addition of 20 aircraft
- Schedule: One year delay in production resulting from development stretchout and stretchout in FY85-87 procurement
- Engineering: Hydraulic systems design changes
- Estimating: Revised production estimate based on prototype experience.
- Support: Increased engine spares requirements due to Airframe quantity change

CONSTRUCTION

- Engineering: Upgrade runways at 9 airbases
- Support: Addition of 2 airbases to meet deployment requirements

Figure D-33.

COMPREHENSIVE ANNUAL AND QUARTERLY SELECTED ACQUISITION REPORT
SYSTEM: (NAME, such as, F-99A)

AS OF DATE: (Date, such as, December 31, 1982)
BASE YEAR: (Year, such as, FY 1979)

E8. COST VARIANCE ANALYSIS (continued)

(Dollars in Millions)

3. Changes Since Previous Report:

	Base Year \$	Current \$
DEVELOPMENT		
Economic:		
Estimating:		
Revised escalation indices		+3.0
Congressionally directed requirement to demonstrate tactical bombing/ocean control capability	+16.0	+18.5
TOTAL Development Cost Change	+16.0	+21.5
PROCUREMENT		
Economic:		
Quantity:		
Schedule:		
Estimating:		
Support:		
Revised escalation indices		+205.8
Reduction in aircraft from 170 to 160	-511.3	-964.9
Accelerated procurement schedule		-127.2
Previous engineering changes related to the 10 deleted aircraft	-13.8	-26.2
Previous estimating changes related to the 10 deleted aircraft	-20.8	-39.5
Reduced spares requirement related to reduced aircraft buy	-28.4	-50.9
TOTAL Procurement Cost Change	-574.3	-1,002.9
CONSTRUCTION		
Economic:		
Revised escalation indices		+4.3
TOTAL PROGRAM COST CHANGE	-568.3	-977.1

NOTE: When FMS impact program acquisition cost, the magnitude of the change that is attributable to FMS will be specifically identified. For cost changes, impact to both previous and current changes will be identified.

Figure D-34.

COMPREHENSIVE ANNUAL SELECTED ACQUISITION REPORT
SYSTEM: (DESIGNATION, such as, F-99A)

B9. PROGRAM ACQUISITION UNIT COST (PAUC) HISTORY AS OF DATE: (DATE, such as, December 31, 1982)
(Dollars in Millions)

1. PE to DE

(a) First year of authorization: FY 1977

(b)

PE	CHANGES							DE/CE	
	ECON	QTY	SCH	ENG	EST	SUP	OTHER		TOTAL
102.000	+2.503	-	+8.714	+10.401	+11.205	+4.065	-	+36.888	138.888

Reasons for change since the PE are described in the preceding program acquisition cost variance display.

2. DE to PdE (if applicable)

DE	CHANGES							PdE/CE	
	ECON	QTY	SCH	ENG	EST	SUP	OTHER		TOTAL
138.888	+3.707	-2.553	+6.799	+3.384	+4.381	+0.772	+0.008	+16.498	155.386

Reasons for change since the DE are described in the preceding program acquisition cost variance display.

3. PdE to CE (if applicable)

PdE	CHANGES							CE	
	ECON	QTY	SCH	ENG	EST	SUP	OTHER		TOTAL

Reasons for change since the PdE are described in the preceding program Acquisition Cost Variance display.

Figure D-35.

COMPREHENSIVE ANNUAL AND QUARTERLY SELECTED ACQUISITION REPORT
SYSTEM: (DESIGNATION, such as, F-99A)

AS OF DATE: (DATE, such as, December 31, 1982)

	(1)		(2)		(3)	
	Initial Contract Price Target	Qty	Current Contract Price Target	Ceiling	Contractor Estimate	Program Mgrs. Estimate
F. CONTRACTOR COSTS						
1. <u>DEVELOPMENT</u>						
2. <u>PROCUREMENT</u>						
3. <u>CONSTRUCTION</u>						
4. <u>VARIANCE ANALYSIS</u>						

Figure D-36.

COMPREHENSIVE ANNUAL AND QUARTERLY SELECTED ACQUISITION REPORT
SYSTEM: (DESIGNATION, such as, F-99A)

AS OF DATE: (Date, such as, December 31, 1982)
BASE YEAR: (YEAR, such as, FY 1979)

G. PROGRAM FUNDING SUMMARY

CURRENT ESTIMATE
(\$ in Millions)

FISCAL YEAR	QTY	BASE-YEAR DOLLARS			THEN-YEAR DOLLARS		ESCALATION ¹ RATE (%)	
		ADV PROC (NON-ADD)	FLYAWAY (NON-ADD)		TOTAL	OBLIGATED		EXPENDED
			NON-REC	REC				
APPROPRIATION: RDT&E								
1977	-	-	-	-	300.0	300.0	6.0	
1978	1	-	-	-	400.0	400.0	6.0	
1979	1	-	-	-	667.5	667.5	6.0	
1980	1	-	-	-	799.3	79.3	6.0	
1981	1	-	-	-	927.9	590.0	6.5	
1982	-	-	-	-	409.0	90.0	6.8	
1983	-	-	-	-	39.9	-	6.8	
TOTAL	4	-	-	-	3,230.5	2,878.8		
APPROPRIATION: PROCUREMENT²								
1981	-	70.0	-	-	87.3	87.3	6.5	
1982	10	158.6	455.7	-	1,937.0	87.3	6.8	
1983	20	251.0	314.8	-	3,448.1	1,403.2	6.8	
1984	40	261.3	27.8	-	5,791.4	-	6.7	
1985	40	260.0	255.4	-	4,182.1	-	6.2	
1986	40	100.0	2160.5	-	5,079.8	-	6.2	
1987	10	-	0.6	-	915.0	-	6.0	
TOTAL	160	1,100.9	827.1	9745.3	21,440.7	1,587.3		
APPROPRIATION: CONSTRUCTION								
1982	-	-	-	-	171.8	160.0	6.8	
1983	-	-	-	-	327.2	-	6.8	
TOTAL	-	-	-	-	499.0	160.0		

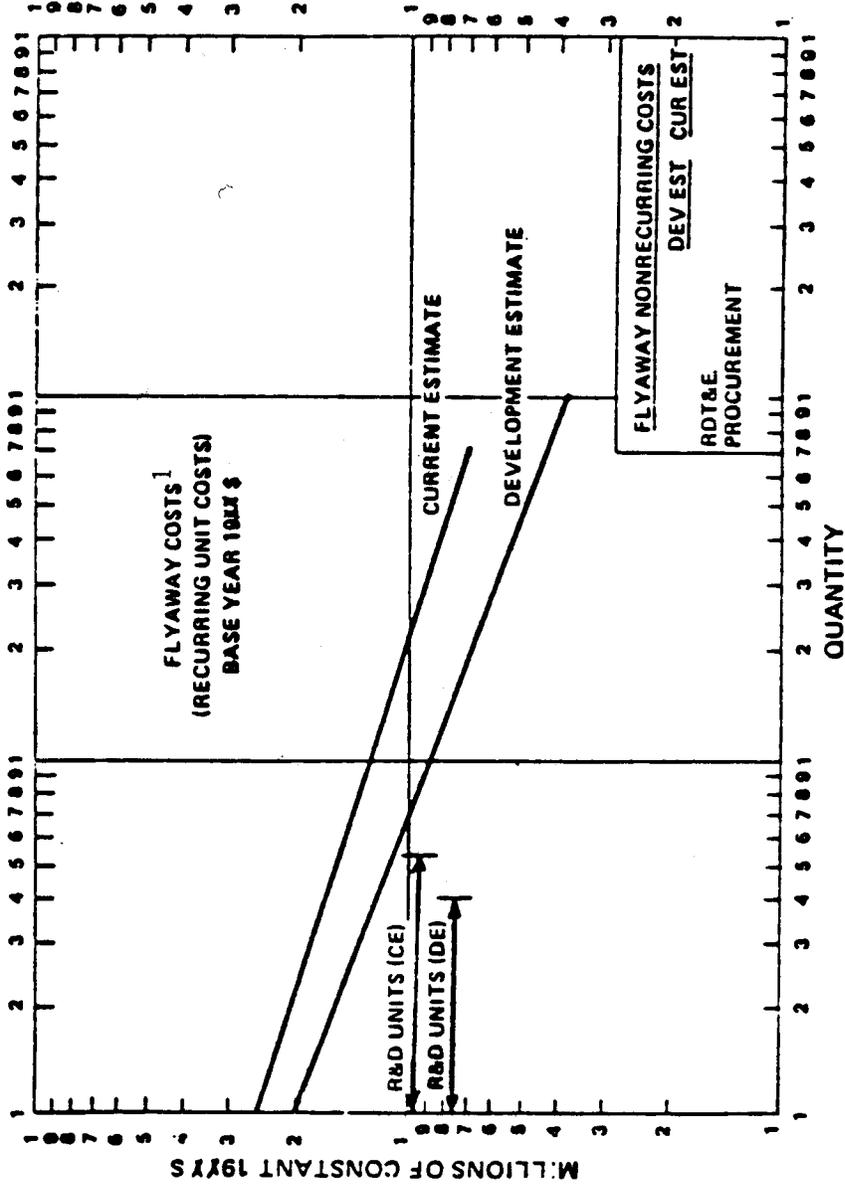
Instructions:
1. Enter each year for which funding has been appropriated followed by each year through completion of funding and deliveries.
2. Advance Procurement and Flyaway are only required for Procurement.
¹Since spend-out rates are not shown, the escalation rates cannot be used to verify the composite index.
²Each procurement appropriation shall be identified and listed separately.

Figure D-37.

COMPREHENSIVE ANNUAL SELECTED ACQUISITION REPORT
SYSTEM: NAME, such as, F-99A)

AS OF DATE: (Date, such as, December 31, 1982)
BASE YEAR: (YEAR, such as, FY 1979)

H. COST-QUANTITY CURVES



¹ Identify end item of equipment represented.

Figure D-38.

DEFENSE WEAPON SYSTEMS ACQUISITION INVENTORY (DD COMP(A)1256)

PROGRAM1 (Designation)	MISSION2	PROGRAM STATUS	TYPE OF ESTIMATE	DATE OF ESTIMATE	PROGRAM ACQUISITION COST (THEN YEAR \$ IN MILLIONS)			PROGRAM QUANTITY5	
					RDT&E PROCUREMENT	COMSTR	TOTAL	RDT&E	PROCUREMENT
1. F-99A	Provides tactical air-to-air superiority and air-to-ground capability	Procurement	Current Production4 Development4 Planning4	6 3/79 6/71 5/69	\$465.4 \$400.3 \$310.9 \$280.2	- - - -	\$3,454.2 \$2,900.5 \$2,307.3 \$1,405.4	10 10 10 10	1,107 1,500 1,500 2,000
2.									
3.									
4.									

NOTES:

- 1 Identify Program Name, Number, if available, and (Popular Name).
- 2 Explain mission in a short, concise statement.
- 3 Indicate program status as either Development or Procurement.
- 4 Once established, the baseline will not be changed.
- 5 Inventory Objective as defined in Enclosure 2.
- 6 Enter "as of" date for report.

Figure D-39.

Appendix E
SPECIAL ARMY SAR REQUIREMENTS C-3 AR 37-200

★SPECIAL ARMY SAR REQUIREMENTS C-3 AR 37-200

**Section I. GUIDANCE FOR REPORTING UNIT COST SUMMARY (UCS) IN
SELECTED ACQUISITION REPORTS (SAR)**

E-1. Reference:

- a.* DODI 5000.33 Uniform Budget Cost Terms and Definitions (sec IV).
- b.* DACA-CAS, Letter of Instruction-Calculation of Unit Costs (sec V).
- c.* AR 11-18, The Cost Analysis Program.
- d.* DODI 7000.3 Selected Acquisition Reports, March 2, 1983 (appendix D).

E-2. The definitions and procedures of calculating the major cost elements in the USC are as defined in paragraph E-1 *a* and *b*.

E-3. The UCS will be submitted in the format outlined in appendix C, AR 11-18.

E-4. The average unit cost will be based the planned procurement quantity listed in the SAR.

E-5. The UCS will directly precede the O&S cost estimate in the SAR.

a. The Comprehensive Annual SAR requires more formats than the quarterly SAR. These requirements are outlined in Reference E-1 (*d*) above.

b. The following specific instructions should be followed in the preparation of the SAR as appropriate.

(1) *Format A*

a. Provide a copy of each reference document the first time it is cited.

b. Identify system or systems being replaced. If none, so state.

(2) *Format B*

a. Divide into two sections as required by DODI 7000.3. Section A should contain the current highlights. Provide an assessment of the extent to which the system is expected to satisfy its current mission requirements.

b. The December 1982 SAR highlights did not address unit cost threshold breaches. Unit cost breaches are significant issues and should be re-

ported in the future SAR highlights when they occur.

(3) *Format D*

Only deliveries to date (planned/actual) are reported in part 2 of this format. The quarterly schedule is no longer required.

(4) *Format E*

a. The escalation reflected in columns (1), (2), and (3) should be broken out by appropriation.

b. Part 4, "Procurement Unit Cost Baseline for Current and Budget Years" will require three column entries in the future; one each for the current year baseline, budget year baseline, and current estimate for the current year baseline.

(5) *Format E8*

Cost change explanations should be short but should contain specific reasons for the changes (e.g., an estimating change could be explained as based on information obtained from a recent negotiation a schedule change should identify rate change and length of stretch, and could be identified as being caused by a congressional cut, an engineering change could identify the specific hardware changes). I would like to call your attention to a significant aspect of the revised cost variance Format E8. This format allows multiple entries for explanations of changes under each of the standard SAR cost variance categories. Consequently, as long as the basic integrity of the standard categories is maintained, you may subdivide explanations within each appropriation under any Service peculiar categories you may choose. For example, you could display multiple entries for quantity, schedule, and engineering changes under sub-grouping such as "Congressional actions" and "threat changes".

(6) *Format F*

Ensure that Price, Ceiling, and Quantity are shown under the "initial and current" heading. Contract Cost and schedule variances and

E-1

Figure E-1.

changes since the last SAR should be included in Format F along with the reason for these changes and their effect of future program costs and program schedule. This should include whether the increase is within the current program funding and whether future program costs are adequate. Favorable variances and possible program cost reductions should also be explained. When variances do not impact the program cost, a simple statement such as "no impact on program costs should follow the variances. The variance explanations should be brief and consistent with the Supplemental Contractor Cost Reports and the Program Manager's Unit Cost Reports for the same period. D/SCSC "jargon" should be avoided in favor of concise reasons. Changes should be shown and discussed in dollar terms and should clearly indicate whether they are favorable or unfavorable variances; avoid using percentages when displaying or discussing changes since the last report, since these values can be quite large and misleading.

(7) *Format G.*

a. Break out the recurring and nonrecurring flyaway costs by fiscal year. The base year fly-

away cost total should agree with the flyaway cost total on Format E.

b. Escalation rates other than the approved OSD/OMB rates for outyear computations. This is only allowed with prior official HQDA and OSD approval.

(8) *Format H.*

Cost quantity curves are for internal DOD use. To ensure that they are not transmitted to external recipients, they should be provide to OSD in a separate package and should not be identified on the index page.

E-6. General

a. Spell out acronyms the first time they are used.

b. No program meeting the SAR dollar thresholds may be dropped from SAR reporting until after a waiver request has been approved by Congress. Termination SAR that do not meet the dollar thresholds require OSD approval prior to submission of the last SAR. Therefore, SARs must be submitted on all SAR system until written approval is received to drop the system from OSD/HQDA.

Section II. GUIDANCE FOR REPORTING UNIT COST SUMMARY (UCS) IN SELECTED ACQUISITION REPORTS (SAR)

E-7. Reference DA Pamphlet 11-4, Operating and Support Cost Guide for Army Materiel Systems.

E-8. The O&S cost will be submitted in terms of average annual unit cost based on the life expectancy for the system and the planned procurement quantity listed in the SAR.

E-9. The O&S costs will be reported in constant year dollars. The constant year used should be the same as the calendar year (i.e. FY 78 dollars will be used for calendar year 1978 (SAR).

E-10. The long-range goal is to capture all direct and indirect costs identified in above reference. The following acceptable sources for operating and support costs are listed; selection among these choices for a given system should be based upon the currency, validity, and completeness of the data.

- a. O&S costs computed as per reference.
- b. The lasted validated BCE.

c. The latest OSD approved DCP operating and support cost.

e. The latest estimate used in a COEA or special task force study.

f. Analogy or comparison to an existing system.

E-11. When breakouts of the elements of costs are available they should be displayed as follows (definitions are in above Reference):

<i>Cost Element</i>	<i>AVG Annual Cost Per Unit</i>
Tactical Military Personnel	\$XXX
Consumption	\$XXX
Depot Maintenance	\$XXX
Modifications	\$XXX
Other Direct Support Operations	\$XXX
Indirect Support Operations	<u>\$XXX</u>
Total	\$XXX

E-12. The O&S cost page will be the last page in the SAR. The sources of data should be clearly identified.

E-2

Figure E-2.



ASD(C)

Department of Defense Instruction

SUBJECT Uniform Budget/Cost Terms and Definitions

References: (a) through (l), see enclosure 1

A. PURPOSE

This Instruction:

1. Establishes uniform budget/cost terms for use in the management of Department of Defense (DoD) weapon/support systems.
2. Presents in a single document the framework of cost terms and definitions which include the basic components of cost associated with Department of Defense (DoD) weapon/support systems; and
3. Identifies cost categories, work breakdown structure elements, and the appropriations associated with each cost term, as the means of improving the completeness, consistency, use and understanding of these terms in the DoD decision process.

B. APPLICABILITY AND SCOPE

1. The provisions of this Instruction apply to the Office of the Secretary of Defense, the Military Departments, the Organization of the Joint Chiefs of Staff, and the Defense Agencies (hereafter referred to as "DoD Components").
2. Its provisions are in accordance with DoD Manual 7110-1-M (reference (d)); DoD Directive 5000.1 (reference (e)); DoD Directive 5000.2 (reference (f)); DoD Instruction 7000.3 (reference (g)); DoD Directive 5000.28 (reference (h)); and DoD Directive 5000.3 (reference (i)); which encompass Secretary of Defense requirements for management of Defense systems within the Department of Defense.
3. The cost terminology in this Instruction also applies to cost information to be submitted to OSD for transmittal to the Congress or other Government agencies.

C. OBJECTIVE

The uniform terms and definitions contained in this Instruction will:

1. Provide a foundation for weapon/support system cost communication among Congress, the Department of Defense, and industry; and

Figure E-9.

2. Establish a basic definitional structure for understanding DoD weapon/support systems cost, when expressed in budget submissions prescribed in DoD Manual 7110-1-M (reference (d)); Decision Coordinating Papers (DCP) in accordance with DoD Directive 5000.2 (reference (f)); Selected Acquisition Reports, as prescribed by DoD Instruction 7000.3 (reference (g)); Fiscal Guidance, Program Objective Memorandum and Program Decision Memorandum in accordance with DoD Directive 7045.7 (reference (k)); and Congressional Data Sheets in compliance with Section 139 of Title 10 U.S.C. (reference (l)). Funding determinations will be based on DoD Manual 7110-1-M (reference (d)).

D. DEFINITIONS

1. Cost terms can be defined by effort, services and/or items of hardware/software. They may be further defined by identifying the appropriate cost categories (functional cost elements), and appropriations. Reference sources include:

a. The Contractor Cost Data Reporting (CCDR) System Pamphlet (reference (a)) for functional cost element definitions as they apply to the WBS elements;

b. The Cost Analysis Improvement Group (CAIG) (DoD Directive 5000.4, reference (b)) Operating & Support (O&S) Cost Guides for weapon system O&S elements;

c. The Military Standard 881-A (reference (c)) for WBS definitions related to the services and/or items of hardware/software; and

d. DoD Manual 7110-1-M (reference (d)) for appropriation related definitions and funding distinctions, e.g. RDT&E, Procurement, O&M appropriations, etc.

2. To assist in defining the various cost terms which appear in subsection D.4., three enclosures are included with this Instruction.

a. Enclosure 2 (Figure I) provides a summary display of the uniform cost terms. Shown are the relationships of cost categories, work breakdown structure elements, and major appropriations to each cost term. The shaded areas identify those parts which are excluded from the definition. Since the basic terms include only funded costs, other related costs, as noted on Figure I, must be included to derive a complete life cycle total.

b. Enclosure 3 (Figure II) further defines the cost terms by identifying in more detail, the cost category and work breakdown structure (WBS) element descriptions which are needed to complete each definition. This enclosure should be read from the center out by selecting the cost term to be defined. Once the term is located, the area enclosed by the box connected to the term identifies the three basic components which define each definition in terms of (1) cost category (on the left

side); (2) work breakdown structure elements (on the top when they apply); and (3) primary appropriations (on the right side).

c. Enclosure 4 (Figure III) lists the typical equipments and subsystems which are included under the DoD major system equipment WBS headings. The equipments or subsystems which are not shown would be treated in a similar manner.

3. It is not the intent of this Instruction to require a cost value for each of the basic components, but to provide a uniform and consistent frame of reference for identifying what is either included or excluded from each cost term.

4. The seven cost terms standardized by this Instruction are described as follows:

a. Development Cost. Development Cost includes:

(1) Work Breakdown Structure (WBS) elements of Major System Equipment, System/Project Management, System Test and Evaluation (except Operational Test and Evaluation funded from Military Personnel or Operation and Maintenance appropriation), Training, Peculiar Support Equipment, Data, Operational/Site Activation and Industrial Facilities (when provisions of Chapter 251 of DoD Manual 7110-1-M (reference (d) apply);

(2) RDT&E funded costs (i.e. conceptual, validation, full scale development phases from the point the program/system is designated by title as a Program Element or major project in a Project Element); and

(3) All costs, both contract and in-house, of the Research and Development cost category, including the cost of specialized equipment, instrumentation, test and facilities required to support RDT&E contractor and/or Government installation.

b. Flyaway (Rollaway, Sailaway, etc.) Cost. Flyaway is used as a generic term related to the creation of a usable end item of hardware/software. Flyaway cost includes:

(1) WBS elements of Major System Equipment (such as basic structure, propulsion, electronics, including Government Furnished Equipment, etc.) System/Project Management, and System Test and Evaluation (if any of this effort is funded by Procurement).

(2) Procurement funded costs (i.e. Line Item Procurement Program); and

(3) All costs, both contract and in-house, of the Production Nonrecurring and Recurring cost categories, including allowances for engineering changes, warranties, and first destination transportation, unless the latter is a separate budget line item.

c. Weapon System Cost. Weapon System Cost includes:

(1) The same WBS elements as in Flyaway Cost (i.e., Major System Equipment, System/Project Management, System Test and Evaluation (if any of this effort is funded by Procurement), plus WBS elements Training, Peculiar Support Equipment, Data, Operational/Site Activation, and Industrial Facilities (unless funded as a separate budget line item or by RDT&E).

(2) Procurement funded costs; and

(3) All costs, both contract and in-house, of the Production Nonrecurring and Recurring cost categories, including allowances for engineering changes, warranties, and first destination transportation, unless the latter is a separate budget line item.

d. Procurement Cost. Procurement cost includes:

(1) The same WBS elements as in Weapon System Cost (i.e., Major System Equipment, System/Project Management, System Test and Evaluation (if any of this effort is funded by Procurement), Training, Peculiar Support Equipment, Data, Operational/Site Activation, and Industrial Facilities (unless funded as a separate budget line item or by RDT&E), plus the WBS element: Initial Spares and Initial Repair Parts;

(2) Procurement funded costs; and

(3) All costs, both contract and in-house, of the Production Nonrecurring and Recurring cost categories, including allowances for engineering changes, warranties, and first destination transportation, unless the latter is a separate budget line item. For Navy shipbuilding programs, outfitting and post delivery costs are also included when Procurement funded.

e. Program Acquisition Cost consists of Development Costs, Procurement Costs, and any construction costs which are in direct support of the system or project. Program Cost and Program Acquisition Cost are synonymous terms. Program Acquisition Cost includes:

(1) The WBS elements of Major System Equipment, System/Project Management, System Test and Evaluation (except Operational Test and Evaluation funded from Military Personnel or Operation and Maintenance), Training, Peculiar Support Equipment, Data, Operational/Site Activation, Industrial Facilities (unless funded by Procurement as a separate budget line item), and Initial Spares and Initial Repair Parts;

(2) RDT&E, Procurement and MILCON funded costs; and

(3) All costs, both contract and in-house, of the Research and Development and Production (Nonrecurring and Recurring) cost

categories, including allowances for engineering changes, warranties, and first destination transportation, except when the latter is a separate budget line item.

f. Ownership. Ownership cost encompasses the cost elements within the Operating and Support (O&S) cost category exclusively. O&S costs include those costs associated with operating, modifying, maintaining, supplying, and supporting a weapon/support system in the DoD inventory.

(1) Included are costs for skill training, personnel movement, replenishment spares and repair parts.

(2) Operation and Maintenance (O&M), Military Personnel, Procurement, Military Construction, other appropriations and funds (stock fund) are used to operate and support DoD weapon/support systems.

g. Life Cycle Cost. Life Cycle Cost includes all WBS elements; all related appropriations; and encompasses the costs, both contract and in-house, for all cost categories. It is the total cost to the Government for a system over its full life, and includes the cost of development, procurement, operating, support, and, where applicable, disposal.

E. EFFECTIVE DATE AND IMPLEMENTATION

1. This Instruction is effective immediately. DoD Components shall transmit this Instruction to all organizational levels involved.

2. Preparation of a joint service/agency supplement(s) (i.e., agreement or guide) to expand upon the definitional framework contained herein is authorized.

a. The joint service/agency supplement(s) will provide the more detailed definitions of the functional cost elements below the summary level established by this Instruction.

b. Selected areas to be covered by the supplement(s) in support of this Instruction are listed in enclosure 5.

c. The Cognizant Office will coordinate the joint service/agency supplement(s) prior to issuance.

Enclosures - 5

1. References
2. Discrete Cost Definitions
3. Cost Definitions Display
4. Major System Equipment
5. Related Policy


Assistant Secretary of Defense
(Comptroller)

References

- (a) NAVMAT P-5241, AMCP 715-8, AFLCP/AFSCP 800-15, Contractor Cost Data Reporting (CCDR) System Pamphlet, November 5, 1973
- (b) DoD Directive 5000.4, "OSD Cost Analysis Improvement Group (CAIG)," June 13, 1973
- (c) Military Standard 881A, "Work Breakdown Structure for Defense Materiel Items," April 25, 1975
- (d) DoD 7110-1-M, "Department of Defense Budget Guidance Manual," August 13, 1976, authorized by DoD Instruction 7110.1, August 23, 1968
- (e) DoD Directive 5000.1, "Major System Acquisitions," January 18, 1977
- (f) DoD Directive 5000.2, "Major System Acquisition Process," January 18, 1977
- (g) DoD Instruction 7000.3, "Selected Acquisition Reports (SAR)," September 23, 1975
- (h) DoD Directive 5000.28, "Design to Cost," May 23, 1975
- (i) DoD Directive 5000.3, "Test and Evaluation," January 19, 1973
- (j) DoD Instruction 7000.11, "Contractor Cost Data Reporting (CCDR)," September 5, 1973
- (k) DoD Instruction 7045.7, "The Planning, Programming and Budgeting System," October 29, 1969
- (l) Title 10 United States Code, Section 139, "Congressional Data Sheet"

Figure E-14.

MAJOR SYSTEM EQUIPMENT						
AIRCRAFT	MISSILE	SURFACE VEHICLE	ORDNANCE	ELECTRONICS	SHIP	SPACE
<p>Air Vehicle</p> <ul style="list-style-type: none"> Airframe Engine Other Propulsion Communications Navigation/Guidance Fire Control Penetration Aids Reconnaissance Equipment Automatic Flight Control Central Integrated Checkout Anti-submarine Warfare Auxiliary Electronics Equipment Armament Weapons Delivery Equipment Auxiliary Armament/Weapons Delivery Equipment 	<p>Air Vehicle</p> <ul style="list-style-type: none"> Integration and Assembly Propulsion (For Single Stage Only) Guidance and Control Equipment Stage I, II, III, IV Launched Payload Payload Shroud Airborne Test Equipment Airborne Training Equipment Auxiliary Equipment Command and Launch Equipment Integration and Assembly Surveillance, Identification, and Tracking Sensors Launch and Guidance Control Communications Data Processing Launcher Equipment Auxiliary Equipment 	<p>Primary & Secondary Vehicle</p> <ul style="list-style-type: none"> Integration and Assembly Hull/Frame Suspension/Steering Power Package/Drive Train Auxiliary Automotive Systems Turret Assembly Fire Control Armament Body/Cab Special Equipments:? Communications and Navigation Equipment 	<p>Complete Round</p> <ul style="list-style-type: none"> Integration and Assembly Propellant/Propulsion Structure Warhead Fuze Safety/Arm Guidance and Control Launch System Integration and Assembly Launcher Carriage Fire Control Equipment Ready Magazine Adapter Kits 	<p>Prime Mission Equipment</p> <ul style="list-style-type: none"> Integration and Assembly Sensors Communications Automatic Data Processing Equipment Computer Programs Data Displays Auxiliary Equipment 	<p>Ship/Ship Conversion</p> <ul style="list-style-type: none"> Hull Structure Propulsion Plant Electric Plant Communications and Control Auxiliary Systems Outfit and Furnishings Armament Integration/Engineering Ship Assembly 	<p>Launch Vehicle</p> <ul style="list-style-type: none"> Integration and Assembly State I, II, III, IV Strap on Units Guidance and Control <p>Stage Vehicle</p> <ul style="list-style-type: none"> Integration and Assembly Propulsion Guidance and Control <p>Space Vehicle</p> <ul style="list-style-type: none"> Integration and Assembly Spacecraft Re-Entry Vehicle Payload Orbit Injection/Dispenser Propulsion Module Payload Shroud <p>Ground Communications, Command and Control Equipment</p> <ul style="list-style-type: none"> Surveillance, Identification, and Tracking Sensors Command and Control Communications Data Processing Equipment Launch Equipment Auxiliary Equipment

FIGURE III

Figure E-19.

Related Policy

Responsibility for the functional cost elements is assigned to the Cognizant Office which will act as the focal point for establishment of detailed definitions to be prepared by a joint service/agency group. The Cost Analysis Improvement Group will act as a technical consultant for the development of the detailed cost element supplement(s) and will assist the Cognizant Office as required. The Cognizant Office is responsible for coordination of the joint service/agency supplement(s) for approval prior to publication.

<u>Cost Element Areas</u>	<u>Cognizant Office</u>
Research and Development Cost Elements	DDR&E
Production Cost Elements	DDR&E
Operating & Support Cost Element	ASD (PA&E)
DoD Directive 5010.20 "Work Breakdown Structures for Defense Materiel Items," July 31, 1968	DDR&E
DoD 7710-1-M "Department of Defense Budget Guidance Manual," August 13, 1976	ASD(C)

Figure E-21.



Section V.
DEPARTMENT OF THE ARMY
OFFICE OF THE COMPTROLLER OF THE ARMY
WASHINGTON, D.C. 20310

31 MAR 1978

DACA-CAS

SUBJECT: Letter of Instruction (LOI) - Calculation of Unit Costs

SEE DISTRIBUTION

1. References.

- a. DODI 5000.33, "Uniform Budget/Cost Terms and Definitions," 14 August 1977.
- b. Change 2 to AR 11-18, "The Cost Analysis Program," 1 March 1978.
- c. DA PAM 11-5, "Standards for Presentation and Documentation of Life Cycle Cost Estimates for Army Materiel Systems," May 1976.

2. Background. Reference b, effective 1 April 1978, changes Appendix C, "Unit Cost Summary," to AR 11-18 making unit cost definitions compatible with Reference a.

3. Purpose. This LOI provides additional guidance to insure consistent interpretation of Reference a within the Army. Procedures and examples for calculating various unit costs are included.

4. Procedures.

- a. Appendix A outlines a procedure for calculating:
 - (1) Hardware Cost.
 - (2) Flyaway Cost.
 - (3) Weapon System Cost.
 - (4) Procurement Cost per unit.
 - (5) Program Acquisition Cost per unit.
 - (6) Life Cycle Cost per unit.

Figure E-23.

DACA-CAS

SUBJECT: Letter of Instruction (LOI) - Calculation of Unit Costs

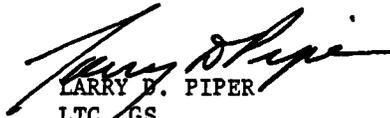
b. The procedures outlined in Appendix A include the cost of ammunition and payload in the unit cost term. Costing organizations should maintain a capability to separate the cost of ammunition and payload with and without War Reserves. Each organization should be capable of reporting cost with:

- (1) No Ammunition or Payload.
- (2) Ammunition and/or Payload other than War Reserves.
- (3) All Ammunition and Payload including War Reserves (as is outlined in these procedures).

c. Example calculations of each unit cost term are contained in Appendix B.

FOR THE COMPTROLLER OF THE ARMY:

2 Incl
as


LARRY D. PIPER
LTC, GS
Executive Officer, ODCA

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DACA-CAS

SUBJECT: Letter of Instruction (LOI) - Calculation of Unit Costs

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Commander, US Army Intelligence and Security Command (10)
Commander, US Army Concepts Analysis Agency (3)
Commander, US Army Communications Command (1)
Director, US Army Management System Support Agency (1)

3

Figure E-25.

APPENDIX A: PROCEDURE FOR CALCULATION OF UNIT COSTS

A. General.

1. This appendix outlines a procedure for calculating:

- (a) Hardware Cost.
- (b) Flyaway Cost.
- (c) Weapon System Cost.
- (d) Procurement Cost per unit.
- (e) Program Acquisition Cost per unit.
- (f) Life Cycle Cost per unit.

2. Unit costs are the result of dividing total hardware cost, etc. by the total number of procured units. Total costs are found by adding appropriate cells of the Army Life Cycle Cost Matrix (ALCCM).

3. Subsequent paragraphs of this appendix explain the procedure for each of the unit cost terms. Figures showing portions of the ALCCM are used to indicate which cells of the ALCCM must be included in the unit cost term. Unless otherwise stated all costs relate to those funded by Procurement Appropriation.

B. Hardware Cost (Figure 1). Hardware Cost is the result of dividing the sum of costs in the shaded cells and costs in the cross-hatched cells directly relatable to major components other than Peculiar and Common Support Equipment by the total number of procured units.

C. Flyaway Cost (Figure 2). Flyaway Cost is the result of dividing the sum of costs in the shaded cells and costs in the cross-hatched cells that are directly relatable to major components, other than Peculiar and Common Support Equipment by the total number of procured units.

D. Weapon System Cost (Figure 3). Weapon System Cost is the result of dividing the sum of costs in the shaded cells and costs in the cross-hatched cells that are directly relatable to major components, other than Common Support Equipment by the total number of procured units.

E. Procurement Cost per Unit (Figure 4). Procurement Cost is the result of dividing the costs in the shaded cells and costs in the cross-hatched cells that are directly relatable to the major components, other than the Common Support Equipment, plus any costs of Modification Work Orders (MWO's) on material not released to the field, by the total number of procured units.

F. Program Acquisition Cost per Unit (Figure 5).

1. Program Acquisition costs are somewhat more complicated to calculate than the four previous costs. Program Acquisition Costs per unit is a value achieved by summing all applicable costs funded by the RDT&E, Procurement and MCA appropriations in Figure 5 and dividing by the number of prototype and production units.

2. Mathematically:

$$\text{Prog. Acq. Cost per Unit} = \frac{\Sigma (\text{RDT\&E} + \text{Proc} + \text{MCA})}{\text{Quantity}}$$

G. Life Cycle Cost per Unit (Figure 6).

1. Life Cycle Cost per unit is the result of dividing the total in the shaded cell (50,11) by the total number of procured units.

2. Mathematically:

$$\text{Life Cycle Cost per Unit} = \frac{(50,11)}{\text{Quantity}}$$

HARDWARE COST
(Procurement Funded Only)

Figure 1

ROW	PRIME APPRO	DEFN REF	COST ELEMENT	SYSTEM STRUCTURE *	(1) FRAME	(2) PROP.	(3) GUIDANCE CONTROL COMMO	(4) FIRE CONTROL	(5) ARM	(6) PAYLOAD AMMO	(7) (TO BE ** SPECIFIED	(8) PEC SPT EQUIP	(9) COMMON SPT EQUIP	(10) OTHER	(11) TOTAL	(12)
12	----	2.0	INVESTMENT													
13	PR/MC	2.01	Non-Recurring Investment													
14	PROC	2.02	Production													
15	PROC	2.03	Engineering Changes													
16	PR/OM	2.04	System Test and Evaluation													
17	PR/OM	2.05	Data													
18	PR/OM	2.06	System/Project Management													
19	PR/MC	2.07	Operational/Site Activation													
20	PR/OM	2.08	Training													
21	PR/OM	2.09	Initial Spares and Repair Parts													
22	PR/OM	2.10	Transportation													
23	PR/OM	2.11	Other													

■ - All costs to be counted.

▨ In Figures 1 and 2 all costs directly relatable to major components other than peculiar and common support to be counted.

□ In Figures 3 through 5 all costs directly relatable to major components other than common support to be counted.

Figure E-29.

FLYAWAY COST
(Procurement Funded Only)

Figure 2

ROW	PRIME APPRO	DEFN REF	COST ELEMENT	SYSTEM STRUCTURE *	(1) FRAME	(2) PROP.	(3) GUIDANCE CONTROL COMMO	(4) FIRE CONTROL	(5) ARM	(6) PAYLOAD AMMO	(7) (TO BE ** SPECIFIED)	(8) PEC SPT EQUIP	(9) COMMON SPT EQUIP	(10) OTHER	(11) TOTAL	(12)
12	----	2.0	INVESTMENT													
13	PR/MC	2.01	Non-Recurring Investment													
14	PROC	2.02	Production													
15	PROC	2.03	Engineering Changes													
16	PR/OM	2.04	System Test and Evaluation													
17	PR/OM	2.05	Data													
18	PR/OM	2.06	System/Project Management													
19	PR/MC	2.07	Operational/Site Activation													
20	PR/OM	2.08	Training													
21	PR/OM	2.09	Initial Spares and Repair Parts													
22	PR/OM	2.10	Transportation *													
23	PR/OM	2.11	Other													

* In 2.10 Transportation, only the portion of this element that is First Destination Transportation should be counted.

Figure E-30.

WEAPON SYSTEM COST
(Procurement Funded Only)

ROW	PRIME APPRO	DEFN REF	COST ELEMENT	SYSTEM STRUCTURE *	(1) FRAME	(2) PROP. COMMO	(3) GUIDANCE CONTROL	(4) FIRE CONTROL	(5) ARM	(6) PAYLOAD AMMO	(7) (TO BE ** SPECIFIED)	(8) PEC SPT EQUIP	(9) COMMON SPT EQUIP	(10) OTHER	(11) TOTAL	(12) %
12	----	2.0	INVESTMENT													
13	PR/MC	2.01	Non-Recurring Investment													
14	PROC	2.02	Production													
15	PROC	2.03	Engineering Changes													
16	PR/OM	2.04	System Test and Evaluation													
17	PR/OM	2.05	Data													
18	PR/OM	2.06	System/Project Management													
19	PR/MC	2.07	Operational/Site Activation													
20	PR/OM	2.08	Training													
21	PR/OM	2.09	Initial Spares and Repair Parts													
22	PR/OM	2.10	Transportation *													
23	PR/OM	2.11	Other													

* In 2.10 Transportation, only the portion of this element that is First Destination Transportation should be counted.

Figure E-31.

PROCUREMENT COST PER UNIT
(Procurement Funded Only)

Figure 4

ROW	PRIME APPRO	DEFN REF	SYSTEM STRUCTURE *	COST ELEMENT	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
					FRAME	PROP.	GUIDANCE CONTROL COMMO	FIRE CONTROL	ARM	PAYLOAD AMMO	(TO BE ** SPECIFIED)	PEC SPT EQUIP	COMMON SPT EQUIP	OTHER	TOTAL	
12	----	2.0		INVESTMENT												
13	PR/MC	2.01		Non-Recurring Investment												
14	PROC	2.02		Production												
15	PROC	2.03		Engineering Changes												
16	PR/OM	2.04		System Test and Evaluation												
17	PR/OM	2.05		Data												
18	PR/OM	2.06		System/Project Management												
19	PR/MC	2.07		Operational/Site Activation												
20	PR/OM	2.08		Training												
21	PR/OM	2.09		Initial Spares and Repair Parts												
22	PR/OM	2.10		Transportation *												
23	PR/OM	2.11		Other												

6

* In 2.10 Transportation, only the portion of the element that is First Destination. Transportation should be counted.

NOTE: Also to be included are any costs for Modification Work Orders (MWO's).

Figure E-32.

PROGRAM ACQUISITION COST PER UNIT
(RDTE, PROC & MCA FUNDING)

Figure 5

PRIME APPRO REF	DEFN REF	COST ELEMENT	SYSTEM STRUCTURE*	FRAME PROP.	GUIDANCE CONTROL COMMO	FIRE CONTROL	ARM	PAYLOAD AMMO	(TO BE ** SPECIFIED)	PEC SPT EQUIP	COMMON SPT EQUIP	OTHER	TOTAL	%
1	---	1.0	RESEARCH AND DEVELOPMENT											
2	RDTE 1.01	Development Engineering												
3	RDTE 1.02	Producibility Engineering and Planning												
4	RDTE 1.03	Tooling												
5	RDTE 1.04	Prototype Manufacturing												
6	RDTE 1.05	Data												
7	RDTE 1.06	System Test and Evaluation												
8	RD/OM 1.07	System/Project Management												
9	RD/OM 1.08	Training												
10	RD/MC 1.09	Facilities												
11	RDTE 1.10	Other												

PRIME APPRO REF	DEFN REF	COST ELEMENT	SYSTEM STRUCTURE *	(1) FRAME PROP.	(2) GUIDANCE CONTROL COMMO	(3) FIRE CONTROL	(4) ARM	(5) PAYLOAD AMMO	(6) (TO BE ** SPECIFIED)	(7) PEC SPT EQUIP	(8) COMMON SPT EQUIP	(9) OTHER	(10) TOTAL	(11) %
12	---	2.0	INVESTMENT											
13	PR/MC 2.01	Non-Recuring Investment												
14	PROC 2.02	Production												
15	PROC 2.03	Engineering Changes												
16	PR/OM 2.04	System Test and Evaluation												
17	PR/OM 2.05	Data												
18	PR/OM 2.06	System/Project Management												
19	PR/MC 2.07	Operational/Site Activation												
20	PR/OM 2.08	Training												
21	PR/OM 2.09	Initial Spares and Repair Parts												
22	PR/OM 2.10	Transportation												
23	PR/OM 2.11	Other												

Figure E-33.

LIFE CYCLE COST PER UNIT

(ALL APPROPRIATIONS)

Figure 6

FORM APPROV	REF	COST ELEMENT	SYSTEM STRUCTURE*	(1) FUND	(2) PROGRAM	(3) SUBPROGRAM/COMMODITY/ITEM	(4) FINE PRINT	(5) AMBASSADY	(6) PAYROLL/ADMINISTRATIVE	(7) MILITARY OPERATIONS	(8) PROBLEMS/REPAIRS/REPLACEMENT	(9) OTHER	(10) PERCENT
1	1.0	RESEARCH AND DEVELOPMENT											
2	1.01	DEVELOPMENT ENGINEERING											
3	1.02	PRODUCTION ENGINEERING AND PLANNING (PEP)											
4	1.03	TOOLING											
5	1.04	PROTOTYPE MANUFACTURING											
6	1.05	DATA											
7	1.06	SYSTEM TEST AND EVALUATION											
8	1.07	SYSTEM/PROJECT MANAGEMENT											
9	1.08	TRAINING											
10	1.09	FACILITIES											
11	1.10	OTHER											
12	2.0	INVESTMENT											
13	2.01	NON-RECURRING INVESTMENT											
14	2.02	PRODUCTION											
15	2.03	ENGINEERING CHANGES											
16	2.04	SYSTEM TEST AND EVALUATION											
17	2.05	DATA											
18	2.06	SYSTEM/PROJECT MANAGEMENT											
19	2.07	OPERATIONAL/SITE ACTIVATION											
20	2.08	TRAINING											
21	2.09	INITIAL SPARES AND REPAIR PARTS											
22	2.10	TRANSPORTATION											
23	2.11	OTHER											
24	3.0	OPERATING AND SUPPORT COST											
25	3.01	MILITARY PERSONNEL											
26	3.011	CREW PAY AND ALLOWANCES											
27	3.012	MAINTENANCE PAY AND ALLOWANCES											
28	3.013	INDIRECT PAY AND ALLOWANCES											
29	3.014	PERMANENT CHANGE OF STATION											
30	3.02	CONSUMPTION											
31	3.021	REPLENISHMENT SPARES											
32	3.022	PETROLEUM, OIL AND LUBRICANTS											
33	3.023	UNIT TRAINING, AMMUNITION AND MISSILES											
34	3.03	DEPOT MAINTENANCE											
35	3.031	LABOR											
36	3.032	MATERIEL											
37	3.033	TRANSPORTATION											
38	3.04	MODIFICATIONS, MATERIEL											
39	3.05	OTHER DIRECT SUPPORT OPERATIONS											
40	3.051	MAINTENANCE, CIVILIAN LABOR											
41	3.052	OTHER DIRECT											
42	3.06	INDIRECT SUPPORT OPERATIONS											
43	3.061	PERSONNEL REPLACEMENT											
44	3.062	TRANSIENTS, PATIENTS AND PRISONERS											
45	3.063	QUARTERS, MAINTENANCE AND UTILITIES											
46	3.064	MEDICAL SUPPORT											
47	3.065	OTHER INDIRECT											
48		TOTAL SYSTEM COST (LESS ERDA)											
49	4.0	ERDA COST											
50		TOTAL SYSTEM COST (WITH ERDA)											

18%

Figure E-34.

APPENDIX B. EXAMPLE CALCULATIONS OF UNIT COSTS

1. Example calculations for the following unit costs are shown in this appendix.
2. Figure 7 shows the Investment Phase Costs of a hypothetical weapons system, the ABC-131 Aircraft.
3. Unit Cost calculations:
 - a. Hardware Cost (Figure 8).
 - b. Flyaway Cost (Figure 9).
 - c. Weapon System Cost (Figure 10).
 - d. Procurement Cost per Unit (Figure 11).
 - e. Program Acquisition Cost per Unit (Figure 12).
 - f. Life Cycle Cost per Unit (Figure 13).

ABC-131 AIRCRAFT
 CONSTANT FY78 DOLLARS (Millions) PROCUREMENT FUNDED ONLY
 TOTAL PROCUREMENT EQUAL 450 UNITS

Figure 7

ROW	PRIME APPRO	DEFN REF	COST ELEMENT	SYSTEM STRUCTURE *	(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)	(12)
					FRAME	PROP.									PAYLOAD AMMO	(TO RR ** SPECIFIED)		
12	---	2.0	INVESTMENT		173	161	55.5	74.4	21.1	31.6	5.0	2.9	4.7	58.8	58.8			
13	PR/MC	2.01	Non-Recurring Investment		5.0	3.0	2.0	0	0	0	0	1.0	0.8	0	11.8			
14	PROC	2.02	Production		160	150	50.0	70.0	20.0	30.0	5.0	1.5	2.5	2.0	491			
15	PROC	2.03	Engineering Changes		5.0	6.0	2.0	2.5	0.5	1.0	0	0.2	0.6	0	17.8			
16	PR/OM	2.04	System Test and Evaluation		0	0	0	0	0	0.2	0	0	0	0	13.0			
17	PR/OM	2.05	Data		1.0	1.0	1.0	1.3	0.2	0.1	0	0	0	0	4.6			
18	PR/OM	2.06	System/Project Management		0	0	0	0	0	0	0	0	0	0	13.7			
19	PR/MC	2.07	Operational/Site Activation		0	0	0	0	0	0	0	0	0	0	0			
20	PR/OM	2.08	Training		0	0	0	0	0	0	0	0	0	0	10.0			
21	PR/OM	2.09	Initial Spares and Repair Parts		2.0	1.0	0.5	0.6	0.4	0.3	0	0.2	0.8	0.5	6.3			
22	PR/OM	2.10	Transportation		0	0	0	0	0	0	0	0	0	0	12.0			
23	PR/OM	2.11	Other		0	0	0	0	0	0	0	0	0	0	7.6			

NOTE: 2.10 Transportation is First Destination only.

Figure E-36.

ABC-131 AIRCRAFT
HARDWARE COST
CONSTANT (1978 DOLLARS (Millions) PROCUREMENT FUNDED ONLY

Figure 8

ROW	PRICING ANALYSIS	DEFERRED BY	COST ELEMENT	SYSTEM STRUCTURE *	(1) PHASE	(2) PROP.	(3) GUIDANCE CONTROL COMM	(4) FIRE CONTROL	(5) AIM	(6) PAYLOAD ARMG	(7) (TO BE ** SPECIFIED	(8) PEC SFT EQUIP	(9) COMMON SPT EQUIP	(10) OTHER	(11) TOTAL	(12) %
12	---	2.0	INVESTMENT													
13	PR/P	2.01	Non-Recurring Investment												504	
14	PE/C	2.02	Production		100	150	50	70	10	30.0	5.0			2.0	487	
15	PR/C	2.03	Engineering Changes											0	17	
16	PR/C-1	2.04	System Test and Evaluation		5.0	6.0	2.0	2.5	0.5	1.0	0					
17	PR/01	2.05	Data													
18	PR/01	2.06	System/Project Management													
19	PR/PK	2.07	Operational/Site Activation													
20	PR/01	2.08	Training													
21	PR/01	2.09	Initial Spares and Repair Parts													
22	PR/01	2.10	Transportation													
23	PR/01	2.11	Other													

Hardware Unit Cost = Total Hardware Cost/Procurement Qty = 504/450 = \$1.120 M

Figure E-37.

AEC-131 AIRCRAFT
FLYAWAY COST
CONSTANT FY78 DOLLARS (Millions) PROCUREMENT FUNDED ONLY

Figure 9

ROW	PRIME ACTRO REF	DEEN REF	COST ELEMENT	SYSTEM STRUCTURE *	(1) FRAME	(2) PROP.	(3) GUIDANCE CONTROL COMMO	(4) FIRE CONTROL	(5) ARM	(6) PAYLOAD AMMO	(7) (TO BE ** SPECIFIED	(8) PEC SPT EQUIP	(9) COMMON SPT EQUIP	(10) OTHER	(11) TOTAL	(12) %	
12	---	2.0	INVESTMENT														
13	PR/MC	2.01	Non-Recurring Investment		5.0	3.0	2.0	0	0	0	0			0	560.5		
14	PR/OC	2.02	Production		160	150	50	70	20	30	5.0			2.0	487.0		
15	PR/CC	2.03	Engineering Changes		5.0	6.0	2.0	2.5	0.5	1.0	0			0	17.0		
16	PR/OM	2.04	System Test and Evaluation		0	0	0	0	0	0.2	0			13.0	13.2		
17	PR/OM	2.05	Data														
18	PR/OM	2.06	System/Project Management		0	0	0	0	0	0	0			13.7	13.7		
19	PR/MC	2.07	Operational/Site Activation														
20	PR/OM	2.08	Training														
21	PR/OM	2.09	Initial Spares and Repair Parts														
22	PR/OM	2.10	Transportation		0	0	0	0	0	0	0			12.0	12.0		
23	PR/OM	2.11	Other		0	0	0	0	0	0	0			7.6	7.6		

Flyaway Unit Cost = Total Flyaway Cost/Quantity = 560.5/450 = \$1.245M

Figure E-38.

AEC-131 AIRCRAFT
 WEAPONS SYSTEM COST
 CONSTANT FY78 DOLLARS (Millions) PROCUREMENT FUNDED ONLY

Figure 10

ROW	PRIME APPRO REF	DEFN REF	COST ELEMENT	SYSTEM STRUCTURE *	(1) FRAME	(2) PROP.	(3) GUIDANCE CONTROL COMMO	(4) FIRE CONTROL	(5) ARM	(6) PAYLOAD AMMO	(7) TO BE ** SPECIFIED	(8) PEC SPT EQUIP	(9) COMMON SPT EQUIP	(10) OTHER	(11) TOTAL	(12)
12	---	2.0	INVESTMENT		5.0	3.0	2.0	0	0	0	0	1.0	0	0	577.8	
13	PR/MC	2.01	Non-Recurring Investment		1.60	1.50	50.0	70.0	20	30	5.0	1.5	0	2.0	11.0	
14	PR/MC	2.02	Production		5.0	6.0	2.0	2.5	0.5	1.0	0	0.2	0	0	488.5	
15	PR/MC	2.03	Engineering Changes		0	0	0	0	0	0.2	0	0	0	0	17.2	
16	PR/OM	2.04	System Test and Evaluation		1.0	1.0	1.0	1.3	0.2	0.1	0	0	0	13.0	13.2	
17	PR/OM	2.05	Data		0	0	0	0	0	0	0	0	0	0	4.6	
18	PR/OM	2.06	System/Project Management		0	0	0	0	0	0	0	0	0	13.7	13.7	
19	PR/MC	2.07	Operational/Site Activation		0	0	0	0	0	0	0	0	0	0	0	
20	PR/OM	2.08	Training		0	0	0	0	0	0	0	0	0	10.0	10.0	
21	PR/OM	2.09	Initial Spares and Repair Parts		0	0	0	0	0	0	0	0	0	0	0	
22	PR/OM	2.10	Transportation		0	0	0	0	0	0	0	0	0	12.0	12.0	
23	PR/OM	2.11	Other		0	0	0	0	0	0	0	0	0	7.6	7.6	

Weapons System Unit Cost = Total Weapons System Cost/Quantity = 577.8/450 = \$1.284M

Figure E-39.

ABC-131 AIRCRAFT
 PROCUREMENT COST PER UNIT
 CONSTANT FY78 DOLLARS (Millions) PROCUREMENT FUNDED ONLY

Figure 11

ROW	PRIME APPRO	DEFN REP	COST ELEMENT	SYSTEM STRUCTURE *	(1) FRAME	(2) PROP.	(3) GUIDANCE CONTROL COMPO	(4) FIRE CONTROL	(5) ARM	(6) PAYLOAD AMMO	(7) (TO BE ** SPECIFIED)	(8) PEC SPT EQUIP	(9) COMMON SPT EQUIP	(10) OTHER	(11) TOTAL	(12) *
12	----	2.0	INVESTMENT												583.3	
13	PR/MC	2.01	Non-Recurring Investment		5.0	3.0	2.0	0	0	0	0	1.0		0	11.0	
14	PM/C	2.02	Production		160	150	50.0	70.0	20	30	5.0	1.5		2.0	488.5	
15	PR/C	2.03	Engineering Changes		5.0	6.0	2.0	2.5	0.5	1.0	0	0.2		0	17.2	
16	PR/CH	2.04	System Test and Evaluation		0	0	0	0	0	0.2	0	0		13.0	13.2	
17	PR/CH	2.05	Data		1.0	1.0	1.0	1.3	0.2	0.1	0	0		0	4.6	
18	PR/CH	2.06	System/Project Management		0	0	0	0	0	0	0	0		13.7	13.7	
19	PR/MC	2.07	Operational/Site Activation		0	0	0	0	0	0	0	0		0	0	
20	PR/CH	2.08	Training		0	0	0	0	0	0	0	0		10.0	10.0	
21	PR/CH	2.09	Initial Spares and Repair Parts		2.0	1.0	0.5	0.6	0.4	0.3	0	0.2		0.5	5.5	
22	PR/CH	2.10	Transportation		0	0	0	0	0	0	0	0		12.0	12.0	
23	PR/CH	2.11	Other		0	0	0	0	0	0	0	0		7.6	7.6	

Procurement Unit Cost = Total Procurement Cost/Quantity = 583.3/450 = \$1,296M

Figure E-40.

ABC-131 AIRCRAFT
PROGRAM ACQUISITION UNIT COST (RDTE and MCA FUNDING)
CONSTANT FY78 DOLLARS (Millions)

Figure 12

PRIME APPRO	DEFN REF	COST ELEMENT	SYSTEM STRUCTURE*	(11) FRAME	(12) PROPULSION	(13) EVIDENCE CONTROL/ COMMUNICATIONS	(14) FIRE CONTROL	(15) ANNARM	(16) PAYLOAD/ ARMAMUNITION	(17)** (TO BE SPECIFIED)	(18) REGULAR SUPPORT EQUIPMENT	(19) COMMON SUPPORT EQUIPMENT	(11) TOTAL	(12) PERCENT
1	1.0	RESEARCH AND DEVELOPMENT		126	25	1.0	103	8.0	13.0	0	3.0	0	349.0	
2	1.01	DEVELOPMENT ENGINEERING		100	0	0	72	5.0	0	0	0	0	177.0	
3	1.02	PRODUCIBILITY ENGINEERING AND PLANNING (PEP)		0	0	0	0	0	0	0	0	0	0	
4	1.03	TOOLING		0	0	0	0	1.0	0	0	0	0	1.0	
5	1.04	PROTOTYPE MANUFACTURING		21	25	1.0	31	2.0	0	0	3.0	0	83.0	
6	1.05	DATA		0	0	0	0	0	0	0	0	0	10.0	
7	1.06	SYSTEM TEST AND EVALUATION		0	0	0	0	0	13.0	0	0	0	33.0	
8	RD/DM	SYSTEM/PROJECT MANAGEMENT		0	0	0	0	0	0	0	0	0	30.0	
9	RD/DM	TRAINING		0	0	0	0	0	0	0	0	0	10.0	
10	RD/MC	FACILITIES		0	0	0	0	0	0	0	0	0	0	
11	1.10	OTHER		5	0	0	0	0	0	0	0	0	5.0	
12	2.0	INVESTMENT		0	0	0	0	0	0	0	0	0	0	
13	PR/MC	NON-RECURRING INVESTMENT		0	0	0	0	0	0	0	0	0	12	12.0
14	PROC	PRODUCTION		0	0	0	0	0	0	0	0	0	0	
15	PROC	ENGINEERING CHARGES		0	0	0	0	0	0	0	0	0	0	
16	PR/DM	SYSTEM TEST AND EVALUATION		0	0	0	0	0	0	0	0	0	0	
17	PR/DM	DATA		0	0	0	0	0	0	0	0	0	0	
18	PR/DM	SYSTEM/PROJECT MANAGEMENT		0	0	0	0	0	0	0	0	0	0	
19	PR/MC	OPERATIONAL/SITE ACTIVATION		0	0	0	0	0	0	0	0	0	0	
20	PR/DM	TRAINING		0	0	0	0	0	0	0	0	0	0	
21	PR/DM	INITIAL SPARES AND REPAIR PARTS		0	0	0	0	0	0	0	0	0	0	
22	PR/DM	TRANSPORTATION		0	0	0	0	0	0	0	0	0	0	
23	PR/DM	OTHER		0	0	0	0	0	0	0	0	0	0	
24	3.0	OPERATING AND SUPPORT COST		0	0	0	0	0	0	0	0	0	0	
25	3.01	MILITARY PERSONNEL		0	0	0	0	0	0	0	0	0	0	
26	MPA	CREW PAY AND ALLOWANCES		0	0	0	0	0	0	0	0	0	0	

43	MP/DM	3.061	PERSONNEL REPLACEMENT											
44	MPA	3.062	TRANSIENTS, PATIENTS AND PRISONERS											
45	OMA	3.063	QUARTERS, MAINTENANCE AND UTILITIES											
46	MP/DM	3.064	MEDICAL SUPPORT											
47	OMA	3.065	OTHER INDIRECT											
48			TOTAL SYSTEM COST (LESS ERDA)											
49	ERDA	4.0	ERDA COST											
50			TOTAL SYSTEM COST (WITH ERDA)											

Program Acquisition Cost per Unit = (Total Procurement Cost (Figure 11) + Investment MCA Costs (above) + R&D Costs (above))/Quantity
= (583.3 + 12.0 + 349.0)/450 = \$2.098M

Figure E-41.

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